MURER CONSULTANTS, INC.

17-041

August 21, 2017

Courtney Avery, Administrator
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery,

Please find enclosed with this cover letter a completed Certificate of Need Application, submitted on behalf of the applicant Palos Hills Surgery Center, LLC. The applicants propose to expand the Ambulatory Surgical Treatment Center ("ASTC") located at 10330 S. Roberts Road, Palos Hills, IL 60465.

As detailed within the application, this project is non-substantive because it does not involved the establishment of a health care facility or a category of service.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions regarding the proposed project to expand the ASTC.

Sincerely,

Bryan Niehaus, JD, CHC
Senior Consultant
Murer Consultants, Inc.

CC: Gary Kronen, MD
Anton Fakhouri, MD

17-041

ORIGINAL

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AUG 23 2017

HEALTH FACILITIES & SERVICES REVIEW BOARD

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Palos Hills Surgery Center		
Street Address: 10330 South Roberts Road, Suite 3000		
City and Zip Code: Palos Hills 60465		
County: Cook	Health Service Area: 007	Health Planning Area: 031

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Palos Hills Surgery Center, LLC
Street Address: 10330 South Roberts Road, Suite 3000
City and Zip Code: Palos Hills, 60465
Name of Registered Agent: Ronald Ladniak
Registered Agent Street Address: 3811 Highland Avenue
Registered Agent City and Zip Code: Downers Grove, 60515
Name of Chief Executive Officer: Gary Kronen, M.D.
CEO Street Address: 10330 South Roberts Road, Suite 3000
CEO City and Zip Code: Palos Hills, 60465
CEO Telephone Number: 630-317-7007

Type of Ownership of Applicants

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☒	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., STE 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bniehaus@murer.com
Fax Number: 708-478-7094

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Monica Hon
Title: Vice President
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., STE 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: mhon@murer.com
Fax Number: 708-478-7094

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]**

Name: Gary Kronen, M.D.
Title: CEO
Company Name: Palos Hills Surgery Center, LLC
Address: 10330 South Roberts Road, Suite 3000, Palos Hills, IL, 60465
Telephone Number: 630-317-7007
E-mail Address: GaryKronen@MidAmericaOrtho.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Palos Hills Realty LLC
Address of Site Owner: 8200 S. County Line Road, Burr Ridge, IL 60627
Street Address or Legal Description of the Site: 10330 South Roberts Road, Suite 3000, Palos Hills, IL, 60465 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Palos Hills Surgery Center, LLC
Address: 10330 South Roberts Road, Suite 3000, Palos Hills, IL, 60465
☐ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☒ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (**http://www.hfsrb.illinois.gov**).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

☐ Substantive

☒ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Palos Hills Surgery Center, LLC currently operates an Ambulatory Surgical Treatment Center ("ASTC") located at 10330 South Roberts Road, Suite 3000, Palos Hills, IL, 60565. The ASTC is approved for the specialties of orthopedics and plastic surgery and has two (2) operating rooms. The applicants are requesting approval for an expansion and modernization of the existing facility, with no change to the scope of services offered at the facility.

The proposed project is classified as "non-substantive," as it is an expansion of the number of treatment room for an existing ASTC. The project does not propose to construct a new or replacement facility, and does not request approval to offer any additional categories of service.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$60,985.00	$13,778.66	$74,763.66
Site Survey and Soil Investigation	$7,092.00	$577.87	$7,669.87
Site Preparation	$115,472.82	$10,265.31	$125,738.13
Off Site Work	$125,000.00	$23,200.00	$148,200.00
New Construction Contracts	$2,210,121.40	$775,630.00	$2,985,751.40
Modernization Contracts	$213,176.10		$213,176.10
Contingencies	$50,000.00	$11,386.14	$61,386.14
Architectural/Engineering Fees	$235,800.00	$70,000.00	$305,800.00
Consulting and Other Fees	$141,000.00	$14,000.00	$155,000.00
Movable or Other Equipment (not in construction contracts)	$916,988.18	$123,500.00	$1,040,488.18
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$4,075,635.50	$1,042,337.98	$5,117,973.48
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$437,785.00	$97,778.66	$535,563.66
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources	$3,637,850.50	$944,559.32	$4,582,409.82
TOTAL SOURCES OF FUNDS	$4,075,635.50	$1,042,337.98	$5,117,973.48

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs
Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ _____.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers: The facility was originally approved and constructed under Permit #11-095.

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): __December 1, 2019____

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:
☐ Cancer Registry
☐ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
ASTC	$4,075,635.50	5465	10,984	5,519	810	4,655	0
Total Clinical	$4,075,635.50	5465	10,984	5,519	810	4,655	0
NON REVIEWABLE							
Administrative/Building Commons Space/ Stairs/shafts/etc.	$1,042,337.98	0	2,212	1,366	0	846	0
Total Non-clinical	$1,042,337.98	0	2,512	1,666	0	846	0
TOTAL	$5,117,973.48		**13,496**	**7,185**	**810**	**5,501**	**0**

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		**CITY:**			
REPORTING PERIOD DATES:		**From:**	**to:**		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Palos Hills Surgery Center, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Gary Kronen, M.D.
PRINTED NAME

Member
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14th day of August

Stacy G. Hendron
Signature of Notary

Seal

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

SIGNATURE

Anton Fakhouri, M.D.
PRINTED NAME

Member
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of August

Stacy G. Hendron
Signature of Notary

Seal

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

*Insert the EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility maintained by a State agency.
NOTE: If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 – Discontinuation (State-Owned Facilities and Relocation of ESRD's)

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document whether or not the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	**HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MEET STANDARD?**
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data is available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. MASTER DESIGN AND RELATED PROJECTS

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;

2. How the services proposed in future projects will improve access to planning area residents;

3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and

4. The anticipated role of the facility in the delivery system, including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) - Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects;

2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:

   a. limitation on government funded or charity patients that are expected to continue;
   b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
   c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.

3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction or modernization project(s), based upon:

   a. historical service/beds utilization levels;
   b. projected trends in utilization (include the rationale and projection assumptions used in such projections);
   c. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and
   d. anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;
3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and
4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☐ **Medical/Surgical**		
☐ **Obstetric**		
☐ **Pediatric**		
☐ **Intensive Care**		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(c)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(c)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(c)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(c)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(c)(5) - Planning Area Need - Service Accessibility	X		
1110.530(d)(1) - Unnecessary Duplication of Services	X		
1110.530(d)(2) - Maldistribution	X	X	

G. Non-Hospital Based Ambulatory Surgery

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
☐ Cardiovascular
☐ Colon and Rectal Surgery
☐ Dermatology
☐ General Dentistry
☐ General Surgery
☐ Gastroenterology
☐ Neurological Surgery
☐ Nuclear Medicine
☐ Obstetrics/Gynecology
☐ Ophthalmology
☐ Oral/Maxillofacial Surgery
☒ Orthopedic Surgery
☐ Otolaryngology
☐ Pain Management
☐ Physical Medicine and Rehabilitation
☒ Plastic Surgery
☐ Podiatric Surgery
☐ Radiology
☐ Thoracic Surgery
☐ Urology
☐ Other

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.1540(c)(2) – Service to GSA Residents	X	X
1110.1540(d) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.1540(e) – Service Demand – Expansion of Existing ASTC Service		X
1110.1540(f) – Treatment Room Need Assessment	X	X
1110.1540(g) – Service Accessibility	X	
1110.1540(h)(1) – Unnecessary Duplication/Maldistribution	X	
1110.1540(h)(2) – Maldistribution	X	

1110.1540(h)(3) – Impact to Area Providers	X	
1110.1540(i) – Staffing	X	X
1110.1540(j) – Charge Commitment	X	X
1110.1540(k) – Assurances	X	X

APPEND DOCUMENTATION AS ATTACHMENT 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]:**

_____ a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:

1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and

2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;

_____ b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.

_____ c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;

_____ d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:

1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;

2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;

3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;

4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital

	improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions. e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner

consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

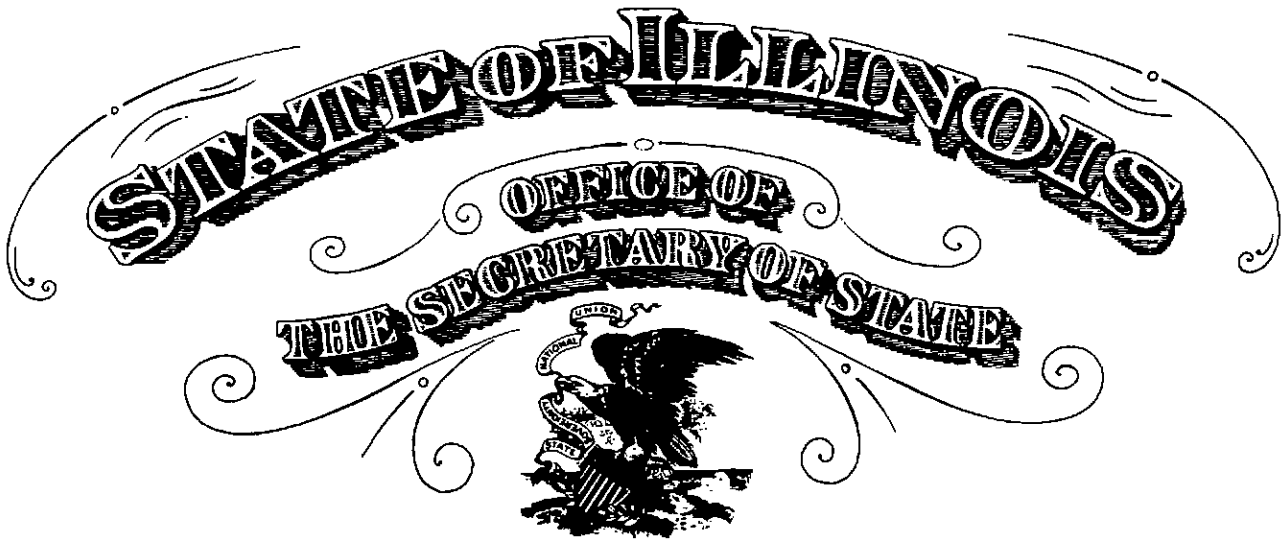
CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

An Illinois Certificate of Good Standing is included in this Attachment for Palos Hills Surgery Center, LLC as Attachment-1.

File Number 0358112-8



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

PALOS HILLS SURGERY CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON APRIL 13, 2011, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* AUGUST *A.D.* 2017 .

Authentication #: 1722001200 verifiable until 08/08/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

The site, 10330 South Roberts Road, Suite 3000 Palos Hills, IL 60465 is owned by Palos Hills Realty, LLC;

In order to evidence ownership, the applicant has included the following:

- Attachment 2-Exhibit 1: A copy of the current lease from Palos Hills Realty, LLC to Palos Hills Surgery Center, LLC.

EXHIBIT 2

LEASE AGREEMENT

This Lease Agreement (the "Lease") is entered into this 27th day of April, 2015, between Palos Hills Realty LLC, an Illinois Limited Liability Company, 8200 S. County Line Road, Burr Ridge, IL 60627 (the "Landlord") and Palos Hills Surgery Center LLC, an Illinois limited liability company, 10330 S. Roberts Road, Palos Hills, Illinois, 60465 (the "Tenant").

RECITALS

Whereas, Landlord is the owner of a certain office building including the land thereon located at 10330 S. Roberts Road, Palos Hills, Illinois, 60465 comprised of approximately 36,085 square feet ("Property or Building"); and

Whereas, Landlord and Tenant desire to enter into an agreement whereby Tenant shall lease from Landlord portions of the Building shown on **Exhibit A**, attached hereto and incorporated herein by reference (the "Premises"); and

Whereas, Tenant shall have access to all common areas depicted on **Exhibit B**, attached hereto and incorporated herein by reference ("Common Areas"); and

Whereas, the parties agree that Tenant's proportionate share of the Additional Rent (as defined below) is twenty -five percent (25%) ("Tenant's Proportionate Share").

Now therefore, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENTS

1. A. Grant.

Subject to the terms and conditions of this Lease, Landlord hereby Leases and Rents to Tenant and Tenant hereby Leases, from Landlord the Premises. The Recitals are incorporated herein. This Lease terminates and supersedes all prior leases between Landlord and Tenant.

B. Security Deposit.

Tenant shall deliver to Landlord at the time it executes this Lease the security deposit in the amount of one and one-half times the monthly base rent, or thirty seven thousand two hundred twelve dollars ($37,212) as security for Tenant's faithful performance of Tenant's obligations hereunder. If Tenant fails to pay Base Rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use all or any portion of said deposit for the payment of any Base Rent or other charge due hereunder, to pay any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so uses or applies all or any portion of said deposit, Tenant shall within ten (10) days after written demand therefor deposit cash with Landlord in an amount sufficient to

restore said deposit to its full amount. Landlord shall not be required to keep said security deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, said deposit, or so much thereof as has not heretofore been applied by Landlord, shall be returned, without payment of interest or other amount for its use, to Tenant at the expiration of the Term hereof, and after Tenant has vacated the Premises. No trust relationship is created herein between Landlord and Tenant with respect to said security deposit.

2. Term.

   a. The Initial Term of this Lease shall be for a period of twenty (20) consecutive years commencing May 1, 2015 ("Commencement Date") and ending at 11:59 p.m. April 30, 2035 ("Expiration Date"), the initial term ("Initial Term"). Each twelve-month period during the Initial Term is sometimes referred to herein as a Lease Year. Landlord shall turnover the Premises to the Tenant on the Commencement Date ("Turnover Date").

   b. Pursuant to this Lease, subject to the following notice requirements and provided that at the time of such notice Tenant is not in default under the terms of this Lease beyond any grace periods, Landlord hereby grants to Tenant the option to renew the Lease for two additional consecutive periods of ten (10) years each ("Renewal Term") upon the same terms and conditions as set forth herein unless otherwise expressly provided (the "Renewal Option"). The Tenant shall exercise the Renewal Option by providing written notification thereof to Landlord not less than twelve (12) months prior to the expiration of the Initial Term or First Renewal Term, as the case may be. In the event Tenant fails to timely deliver said notice, Tenant shall be deemed to have waived the Renewal Option.

3. Rent.

   a. Base Rent. Subject to annual adjustment as set forth below, the Tenant shall pay rent to the Landlord as follows:

      i. Beginning Base Rent. An amount equal to approximately twenty-four thousand eight hundred and eight dollars ($24,808) per month ("Base Rent") beginning on the Commencement Date and continuing on or before the first day of each and every successive calendar month thereafter in the Initial Term and any Renewal Term, subject to the annual three percent (3%) increases as provided in subsection (ii) below. Payments shall be made in lawful money of the United States of America.

      ii. Annual Increases in Base Rent. On each annual anniversary of the Commencement Date, Base Rent shall increase by three percent (3%). Commencing on each and every successive May 1st during the Initial Term and any Renewal Term, Base Rent shall increase by three percent (3%) per annum.

   b. Additional Rent. Tenant shall pay, in addition to Base Rent, Tenant's Proportionate Share of Additional Rent. Additional Rent shall include RET (defined below), MMR (defined below), and Landlord expenses for operation of the Property, including without limitation

those described in subparagraph (iii) below, and other expenses specifically identified as Additional Rent in this Lease.

i. Real Estate Taxes. Real estate taxes shall be the actual Real Estate Taxes ("RET") levied and/or assessed against the Property. RET shall be deemed to be Additional Rent.

ii. MRR. MRR shall include the cost of all utilities and maintenance, repairs and replacements of any kind or nature to the Building pursuant to Paragraphs 8(a) and 16(b) below, respectively, unless otherwise stated in this Lease ("MRR"). MRR shall be deemed to be Additional Rent. Provided, however, for the avoidance of doubt, that MRR shall not include maintenance, repair, replacements or improvements specific to the Premises; such obligations shall be solely the obligation of the Tenant and shall be paid directly by Tenant.

iii. Operating costs. Operating costs shall include all costs associated with the operation of the Property including without limitation insurance for or related to the Property as set forth in Paragraph 11(b) below, and all expenses for maintenance of Common Areas, including parking lot, landscaping maintenance and snow removal as set forth in Paragraph 16(c), and all management fees, bookkeeping fees, accountant and legal fees for the Property, and all similar expenses. All such expenses shall be deemed to be Additional Rent. Provided, however, that for the avoidance of doubt, operating expenses for operation of the Property do not include expenses specific to Tenant's use of the Premises, including without limitation, costs such as recovery rooms, operating suites, Tenant instrumentation, and medical waste removal, which are solely the obligation of, and shall be paid directly by, the Tenant.

c. Tenant's failure to pay any amounts owed by Tenant hereunder when due or Tenant's failure to substantially perform its obligations hereunder shall constitute a default under the Lease, and Landlord shall have all the rights and remedies granted to Landlord under the Lease for nonpayment of any amounts owed hereunder or failure by Tenant to perform hereunder.

d. Tenant shall pay Base Rent to Landlord at Landlord's address herein set forth, or at such other place or to such other person as Landlord may direct by notice given as herein provided from time to time. Tenant shall pay its Proportionate Share of Additional Rent to MidAmerica Orthopaedics, S.C. ("MAO") until further notice to Tenant from MAO. In the event the Commencement Date is not the first day of a month or if the last day of the Initial Term is not the last day of a month, the rent shall be prorated on a per diem basis for each day of such fractional month.

e. All amounts of Base Rent or the Additional Rent or any other sums payable by Tenant to Landlord hereunder shall bear interest from and after the date payable until paid at the rate of ten percent (10%). Tenant shall have a ten (10) day grace period from the date that all sums are payable to Landlord, before being charged interest. All payments made by

Tenant hereunder shall be applied first to any Interest imposed by this Lease and then to any other sum due and owing to Landlord, and then to Base Rent.

4. Payment of Proportionate Share of Additional Rent. Notwithstanding any other provision of this Lease, the parties agree and acknowledge that until receipt of written notice from MAO to the contrary, Tenant shall pay its Proportionate Share of Additional Rent to MAO pursuant to the Agreement for Allocation and Reimbursement of Expenses ("Allocation Agreement") between Tenant and MAO.

5. Tenant Improvement.

   Subject to Landlord's review and approval, Tenant, at Tenant's sole cost and expense, shall be solely liable for any and all construction and remodeling projects ("Tenant's Work"). Tenant must satisfy all requirements set forth herein for completion of the entire project. If Tenant fails to make any payment relating to Tenant's Work as required hereunder or substantially complete Tenant's Work hereunder, Landlord, at its option, may complete Tenant's Work pursuant to the approved Plans and continue to hold Tenant liable for the costs thereof and all other costs due to Landlord. Tenant's failure to pay any amounts owed by Tenant hereunder when due or Tenant's failure to substantially perform its obligations hereunder shall constitute a default under the Lease, and Landlord shall have all the rights and remedies granted to Landlord under the Lease for nonpayment of any amounts owed hereunder or failure by Tenant to perform hereunder. Landlord agrees and acknowledges that all Tenant's Work completed prior to the Commencement Date pursuant to the parties' month-to-month lease, is approved by the Landlord.

6. Use of Premises.

   The Tenant shall use and occupy the Premises solely for the purpose of medical services as well as related office uses and for no other use or purpose ("Permitted Use"). Tenant will comply with all applicable statutes, rules and ordinances with respect to the Permitted Use. Under no circumstance shall Tenant allow any portion or all of the Premises to be used, or itself use all or any portion of the Premises, for the sale or distribution of liquor or alcoholic beverages, for lodging or sleeping purposes or for any unlawful use. Tenant shall have the right to use the parking areas outside the Building including for the purposes of ingress and egress to and from the Premises.

7. Medical Waste Disposal.

   Tenant shall have sole and exclusive responsibility for the proper storage, treatment, disposal or transfer of any medical waste produced or generated by Tenant and of any substance, including without limitation any otherwise hazardous substance necessary to Tenant's conduct of its business and allowed as a Permitted Use, which substance is generated by Tenant or otherwise brought upon the Premises by Tenant. Tenant hereby covenants and agrees that it shall adhere to all medical waste disposal procedures set forth in any rules and regulations of the Building and that Tenant shall strictly obey and adhere to any and all applicable federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements that in any way regulate, govern or impact Tenant's possession, use, storage, treatment or disposal of said medical waste. Tenant

hereby covenants and agrees that it shall and does hereby indemnify, defend and hold Landlord and Landlord harmless from any cause, claim, action, liability, citation, fine, suit, damage, obligation or any responsibility whatsoever for the production, disposal, storage or transfer of any medical waste or hazardous substance which is a result of Tenant's activity upon the Premises. For purposes of this Lease, "hazardous substances" means any matter giving rise to liability under the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq. or any other federal, state or local law, ordinance or regulation relating to hazardous substances, hazardous medical waste or any common law theory based on nuisance or strict liability.

8. Utility, Telecommunications and Telephone Services.

   a. As of the Turnover Date, Landlord shall initiate for service to the Building all utilities (except any which are separately arranged and metered exclusively for any tenant), including but not limited to heat, air-conditioning, electricity, gas, water, telephone, cable, high speed internet, trash/refuse, security alarm services, and all similar services. It is the sole responsibility of the Tenant to maintain and pay for all such services and if there is any interruption of these services, it is the Tenant's sole responsibility to reconnect such services.

   b. Landlord shall not be liable for any interruption in service whatsoever and Rent shall not be abated as a result thereof, unless such service is within the control of Landlord.

   c. All telephone and telecommunication services and hardware to be installed upon and used for the Premises shall be the sole responsibility of the Tenant, at Tenant's sole expense.

9. Subordination to Landlord and Lease.

   a. Tenant agrees to abide by and be bound by the terms and conditions of the Lease. Tenant recognizes that the rights of the Tenant under this Lease shall be subject and subordinate at all times to the lien of any mortgage, trust deed or similar encumbrance now or hereafter existing at any time during the Lease Term covering or affecting the Building or the land or any portion thereof upon which the Building is situated, whether such lien be on, covered or against a leasehold estate in such land or the fee simple estate therein or both. If Landlord's right, interest or title in or to the Building is transferred to any person or any entity by reason of foreclosure or other proceedings for enforcement of any mortgage, trust deed or security interest or by delivery of a deed in lieu of foreclosure or other proceedings, Tenant shall immediately and automatically attorn to such person or entity, provided written notice of such transfer is given.

   b. No paragraph, section, clause or provision of this Lease shall prohibit or be construed to prohibit or prevent the Landlord from transferring, assigning, conveying, selling or mortgaging its right, title or interest in the Building or the land in whole or in part. Such conveyance, transfer, assignment, mortgage or sale shall be recognized by Tenant. A sale, conveyance or assignment of the Building shall operate to release Landlord from liability occurring or arising from and after the effective date thereof for all of the

covenants, terms and conditions of this Lease, express or implied, except as such may relate to the period prior to such effective date and Tenant shall thereafter look solely to Landlord's successor in interest in and to this Lease. This Lease shall not be affected by any such sale, transfer, conveyance, mortgage or assignment.

c. Tenant shall execute any subordination agreement required by Landlord's lender within seven (7) days of the date on which the agreement is provided to Tenant; provided, however, Landlord shall request that the lender include a non-disturbance of the Tenant agreement in any such subordination agreement. The parties agree and acknowledge that Tenant will execute a subordination agreement without the non-disturbance provision if the lender, despite Landlord's request, will not provide or continue financing for Landlord if the subordination agreement contains such a provision.

10. Waiver of Subrogation.

To the extent permitted by its policies of insurance, Tenant hereby releases Landlord, and their respective employees, agents, customers and invitees from any and all liability for any loss, damage or injury to person or property occurring in, on, about or to the Premises, improvement to the Building or personal property within the Building, by reason of fire, flood or other casualty whether or not same are covered by applicable standard fire and extended coverage insurance policies.

11. Liability and Insurance.

a. Tenant shall be responsible for and shall insure against any and all liability for any loss, damage or injury to person or property caused by Tenant, its employees, agents, guests and invitees occurring in, on, or about the Premises. Tenant shall at all times during the Lease Term, at its own expense, procure one or more policies of general public liability or self-insure for general liability (including Worker's Compensation) and property damage insurance issued by one or more insurance companies reasonably acceptable to Landlord and Landlord in an amount not less than $1,000,000.00 per occurrence, and a minimum of $2,000,000.00 annual aggregate bodily injury and $2,000,000.00 (or such other commercially reasonable amount as Landlord may from time to time require, limited by the standards set forth in the next following paragraph) property damage liability and shall name as additional insured Landlord and any other ownership entity or mortgagee of which Landlord may advise Tenant in writing for property insurance and shall provide that the insurance policy or policies may not be canceled or non-renewed on less than thirty (30) days prior written notice to Landlord. Tenant shall, at all times during the Lease Term, at its own expense, procure an insurance policy in an amount equal to the aggregate of all Rent and other charges payable by Tenant pursuant to the Lease, or such other amount as is reasonably acceptable to Landlord, which Tenant may at its election provide such insurance by an appropriate endorsement to its business interruption policy. It is understood that under no circumstance shall Rent or any other charge payable by Tenant abate, except in the event said Rent or other charge is covered by insurance, in which case, Rent and such other charge shall abate to the extent covered by insurance. On or before the Turnover Date and thereafter from time to time throughout the Lease Term on request of Landlord, Tenant shall provide Landlord with

copies of certificates evidencing such insurance. Should Tenant fail to carry such insurance Landlord shall have the right, after ten (10) days' notice to Tenant, to obtain such insurance and collect the cost thereof from Tenant as additional rent.

b. Landlord shall maintain property insurance on the Building including full replacement value in such amounts as are comparable to other similarly situated landlords in the Chicago Metropolitan area. The amount of liability insurance is at the sole discretion of the Landlord. All costs to Landlord of such insurance shall be deemed to be Additional Rent.

c. To the extent permitted by law, Tenant waives and releases Landlord and Landlord's contractors, agents, and employees from all claims for damage to person or property sustained by Tenant or any occupant of the Building or Premises relating to (a) the Building or Premises or any part of either or any equipment or appurtenance becoming out of repair; (b) any accident in or about the Building; or (c) directly or indirectly, any act or neglect of any tenant or occupant of the Building or of any person, including Landlord and Landlord's agents, servants, guests, and invitees. This section shall apply to all damage described herein, including without limitation, damage caused by the flooding of basements or other subsurface areas, refrigerators, sprinkling devices, air-conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures.

d. If any damage to the Premises or the Building or to any equipment or appurtenance thereto or any part thereof or to Landlord or other tenants in the Building results from any act, omission, or neglect of Tenant or of Tenant's contractors, agents, or employees, Landlord may, at Landlord's option, repair that damage, and Tenant shall, upon demand by Landlord, reimburse Landlord immediately for the total cost of those repairs in excess of the amount, if any, paid to Landlord under insurance, if any, covering these damages.

e. All property situated in the Building or the Premises and belonging to Tenant, its agents, contractors, employees, or invitees, or any occupant of the Premises shall be situated there at the risk of Tenant or such other person only, and Landlord shall not be liable for damage, theft, misappropriation, or loss of that property.

f. To the extent that Tenant carries hazard insurance on any of its property in the Premises, each policy of insurance shall contain, if obtainable from the insurer selected by Tenant, a provision waiving subrogation against Landlord.

g. Tenant agrees to hold Landlord and its contractors, agents, and employees harmless from and indemnified against all claims, liability, and costs (including, but not limited to, attorneys' fees and costs) for injuries to persons and damage to, or the theft, misappropriation, or loss of, property arising from occurrences in or about the Premises or the Building caused, in whole or in part, by the act, omission, or negligence of Tenant or its agents, contractors, employees, or invitees.

12. Liens.

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the land, the Building or the Premises, or in Tenant's interest in this Lease. Tenant covenants and agrees not to suffer or permit any lien of mechanics or material men or others to be placed against the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching, or claim thereof being asserted, Tenant covenants and agrees to cause it to be immediately released and removed of record or have a title company endorse over any such lien. In the event that such lien is not released and removed within twenty (20) days of notice to Tenant or a title policy issued, Landlord, at its sole option, may take all action necessary to release and remove such lien (without any duty to investigate the validity thereof) and Tenant shall promptly upon notice reimburse Landlord for all sums, costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection with such lien. These provisions shall survive termination of the Lease.

13. Rental, Personal Property and Other Taxes.

Tenant shall pay any and all taxes, assessments, fees or charges (hereinafter referred to as "tax") including any sales, gross income, rental, business occupation or other taxes levied or imposed upon Tenant's income, trade fixtures or personal property located within the Premises before the same shall become delinquent.

14. Alterations.

a. Except as expressly permitted to Tenant in this Lease, Tenant shall not renovate, make alterations in or additions or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, and without first furnishing Landlord with plans and specifications, copies of contracts, necessary permits, in forms reasonably satisfactory to Landlord against any and all claims, liabilities and expense, as well as certificates of insurance from all contractors performing labor or furnishing materials insuring Landlord against any and all liabilities which may arise out of said improvements, additions or alterations. All work of the nature herein contemplated shall be at Tenant's expense and done by contractors with Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. All work performed by or on behalf of Tenant shall be done by employees of Tenant or contractors employed by Tenant and in each case only after obtaining all building permits and other necessary permits and licenses, subject to all conditions Landlord may reasonably impose. Tenant shall promptly pay to Tenant's contractors, when due, the cost of all such work. Tenant hereby agrees to and shall hold Landlord harmless from all costs, damages, liens and expenses related thereto. All work permitted to be done by Tenant or its contractors hereunder shall be done in a first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies.

b. Tenant shall not grant any security interest in any of the improvements to be installed or constructed by it, nor shall Tenant suffer the attachment of any security interest on the improvements or the Building by operation of law or otherwise except as follows: in any grant of a security interest by Tenant, the document granting the security interest shall contain a provision whereby the secured party acknowledges that the security interest is limited to the leasehold estate created hereby and that in the event of the termination of this Lease by lapse of time or otherwise, the security interest shall automatically terminate. In the event of such a grant of a leasehold security interest by Tenant, Tenant shall provide a true and accurate photocopy thereof to Landlord within five (5) days of the date such security interest is granted by Tenant.

c. All alterations, improvements and additions to the Premises, whether temporary or permanent in character but not including Tenant's trade fixtures and equipment, made or paid for by Landlord or Tenant, shall become Landlord's property at the termination of this Lease by lapse of time or otherwise without compensation to Tenant and shall be relinquished to Landlord in good condition, ordinary wear and tear excepted, unless such items are required to be removed by Landlord in accordance with the terms of this Lease.

15. Assignment and Subletting.

Tenant shall not assign, sublet or transfer this Lease without Landlord's prior written consent; provided, that any assignment, sublet or transfer (collectively, "Transfer") shall only be permitted pursuant to the terms of the Lease and further provided that no such Transfer of Tenant's rights or interest shall release Tenant from any of its duties or obligations set forth in this Lease. Notwithstanding anything contained herein to the contrary, at Landlord's sole option, Landlord may revoke any prior written consent of any Transfer and convert such Transfer into a direct lease between Landlord and any applicable assignee, subtenant or transferee pursuant to the same terms of the Transfer, and Tenant shall cooperate in effectuating the conversion of such Transfer.

16. Maintenance and Repair.

a. Tenant shall, at Tenant's expense, keep the Premises and appurtenances thereto in a clean, neat, and healthy condition and in good order and repair, ordinary wear and tear excepted, according to applicable statutes, ordinances, regulations and orders, and according to rules of the Landlord from time to time promulgated, including without limitation the making of all necessary repairs to the Premises and replacements of items such as glass and fixtures including light bulbs and light fixtures, all with material of the same size and quality as that damaged or broken. In the event Tenant fails to keep the Premises in good repair and condition as herein provided, Landlord may, but shall not be required to, enter the Premises directly or through Landlord's agents, contractors or employees without such entering causing or constituting a termination of this Lease or an interference with Tenant's possession of the Premises, to perform Tenant's maintenance, repair and other obligations as provided herein (and Landlord agrees to attempt to minimize interference with Tenant's operations in the Premises), and Tenant agrees to pay to Landlord, on demand, as Additional Rent, the Landlord's expenses in so performing Tenant's obligations hereunder. Tenant shall not commit any waste upon the

Premises or the Building. Failure by Tenant to pay promptly Landlord's proper charges for such maintenance and repair, for utility and other services or for special or additional services, shall give Landlord, upon not less than ten (10) days' written notice, the right to terminate this Lease. Tenant shall be solely responsible for ensuring that the Premises are cleaned, vacuumed and trash (including medical waste) disposed of on a daily basis.

b. (i) Landlord shall make any and all repairs and/or replacements and shall perform all regular and irregular maintenance to the Building (other than the Premises) and Common Areas as deemed necessary by Landlord. This includes but is not limited to, all systems serving the Premises (e.g., HVAC, plumbing, electrical, mechanical, sewer), as well as flood control, elevators, parking, roof, and the exterior of the Building. Landlord (subject to subparagraph (ii) hereof and reasonable insurance claims) shall maintain and repair any and all damage resulting from any cause whatsoever including but not limited to wind, rain, storm, flood, act of God or other catastrophic event. Provided, however, that all costs to Landlord for all maintenance, repairs and replacement (except to the extent covered and paid by Landlord's insurance, or to the extent limited solely to the Premises, which are the responsibility of Tenant) shall be deemed to be Additional Rent. Tenant shall be solely responsible for any repairs or maintenance arising from any loss, damage or injury to property caused by Tenant, its employees, agents, guests and invitees, or any of their negligence, occurring in, on or about the Building.

(ii) If, as a result of any catastrophic event, fire or other casualty, all or any portion of the Premises or the Property are made unfit for occupancy and reasonably appear unlikely to be fit for occupancy for a period of at least one hundred eighty (180) days, Landlord may elect to terminate this Lease by written notice to Tenant within sixty (60) days after such date. If Landlord does not make such election, Landlord shall use commercially reasonable efforts to repair or restore the Premises or the Property within one hundred eighty (180) days after Landlord is permitted to take possession of damaged areas and to undertake reconstruction or repairs. If Landlord elects to terminate this Lease, Base Rent shall be equitably reduced up to the date of termination in the proportion that the part of the Premises which Tenant is not physically able to occupy and utilize for its normal business operations bears to the whole of the Premises. If Landlord elects to so repair or restore the Premises or the Property, this Lease shall not terminate, but Base Rent shall be equitably reduced in the proportion that the part of the Premises which Tenant is not physically able to occupy and utilize for its normal business operations bears to the whole of the Premises during the period of repair. In the event the Premises are wholly unfit for occupancy during such period of repair, Base Rent shall abate on a per diem basis for the period that the Premises are unfit for occupancy.

c. Landlord shall be responsible for ensuring that the Common Areas of the Building are cleaned, vacuumed and trash (other than medical waste) disposed of on a daily basis. Landlord shall additionally be responsible for maintenance of the Common Areas, including but not limited to snow removal, parking lot maintenance and landscaping maintenance. All costs for all services described in this subparagraph 16(c) shall be deemed to be Additional Rent.

d. Tenant shall permit Landlord and its agents to enter the Premises at all reasonable times upon reasonable notice to inspect the Premises, to maintain the Building; to make repairs, alterations or additions to any other portion of the Building in which the Premises are located; to show the Premises to current or prospective mortgagees; to show the Premises as part of a prospective sale by Landlord; for emergency purposes and for such other matters as Lessor reasonably deems necessary for safety or preservation of Premises or the Building, or for such purposes as are otherwise permitted pursuant to this Lease. Landlord shall have such right of entry without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises thereby occasioned; provided, Landlord shall exercise its right of entry at such times and under such conditions as to not unreasonably interfere with Tenant's business. Landlord reserves the right during such times it elects to make repairs, alterations or improvements, to temporarily close entrances, doors, corridors, elevators or other public facilities without being deemed guilty of an eviction or disturbance of Tenant's use and occupancy, without being liable in any manner to Tenant and without elimination or abatement of rent or payment of other compensation, and such acts shall in no way affect this Lease. Notwithstanding the foregoing, Landlord acknowledges that Tenant possesses and stores patient records which are confidential pursuant to the Health Information Portability and Accountability Act ("HIPAA"). Tenant shall be solely responsible for securing all such records and clearly marking any such records as confidential. Notwithstanding any rights of access or other rights granted to Landlord hereunder, Landlord shall use reasonable precautions to assure that no employee, agent, or contractor of Landlord accesses such records, and shall cooperate with Tenant with respect to any such precautions as are reasonably requested by Tenant.

17. Defaults by Tenant.

Each of the following events shall be and constitute hereunder an "Event of Default" by Tenant and a breach of this Lease by the Tenant:

a. If Tenant shall fail to pay any installment of Base Rent or Additional Rent as and when the same shall become due and payable after fifteen (15) days written notice to Tenant; or

b. If Tenant shall fail to perform any other agreements, terms, covenants or conditions required hereof on Tenant's part to be performed and such non-performance shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant or, if such performance cannot be reasonably completed within such thirty (30) day period, if Tenant shall not in good faith have commenced such performance within such thirty (30) day period and shall not thereafter diligently proceed therewith to completion.

18. Landlord's Remedies.

If an Event of Default by Tenant shall occur, Landlord shall have the following exclusive rights:

a. Landlord shall have the right to cancel and terminate this Lease, as well as all of the rights, title and interest of Tenant hereunder by giving to Tenant written notice of such cancellation and termination, and upon the expiration of the time fixed in such notice, this Lease and the Lease Term, as well as all of the right, title and interest of Tenant hereunder shall expire in the same manner and with the same force and effect, except as to Tenant's liability, as if the expiration of the time fixed in such notice of cancellation and termination were the end of the Lease Term.

b. Landlord at its option may, but shall not be obligated to, make any payment required of Tenant herein or comply with any agreement, term, covenant or condition, required hereby to be performed by Tenant the amount so paid, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord, shall be deemed to be additional rent hereunder payable by Tenant and collectible as such by Landlord no later than the next succeeding monthly installment of rent.

c. In the event of cancellation or termination of this Lease upon the occurrence of an Event of Default by Tenant, Landlord may re-enter and repossess the Premises, and Tenant shall nevertheless remain and continue to be liable to Landlord in a sum equal to all Base Rent and Additional Rent reserved herein for the remainder of the Lease Term paid on a monthly basis only, provided, however, that Landlord shall have a duty to mitigate its damages for any such event of cancellation or termination. If any rent so collected by Landlord from letting the Premises after an Event of Default by Tenant is insufficient to fully pay to Landlord a sum equal to all Base Rent and Additional Rent herein reserved, plus Landlord's reasonable and documented costs, the balance to all Base Rent and Additional Rent herein reserved, plus Landlord's reasonable and documented costs, the balance or deficiency shall be paid by Tenant upon demand, with interest as set forth in this Lease.

d. If an Event of Default has occurred, Tenant shall pay all costs, charges and expenses, including court costs and reasonable and documented attorneys' fees incurred by Landlord in enforcing Tenant's obligations under this Lease, in the exercise by Landlord of any of its remedies upon the occurrence of an Event of Default, in any litigation, negotiation or transactions in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

e. No waiver of any condition expressed in this Lease shall be implied by any neglect of Landlord to enforce any remedy on account of the violation of such condition whether or not such violation be continued or repeated subsequently, and no express waiver shall affect any condition other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Without limiting the provisions of any other term or provision of this Lease, it is agreed that no receipt of money by Landlord from Tenant after the termination in any way of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given to Tenant prior to the receipt of such money. It is also agreed that, after the judgment for possession of the Premises, Landlord may receive and collect any rent due, and the payment of said rent shall not waive or affect said notice, suit or judgment.

19. Indemnification.

Landlord and Tenant and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by the casualty and liability insurance to be carried on the Premises or in connection with any improvements on or activities conducted on the Premises, and to the extent permitted by their insurance carriers waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release shall not operate in any case where the effect is to invalidate or increase the cost of such insurance coverage (provided that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such release and waiver in full force and effect. Tenant waives and releases all claims by it against Landlord, their officers, directors, agents, employees and servants, in respect of, and Landlord, their officers, directors, agents, employees and servants shall not be liable for, injury to person or damage to property occurring in or about the Premises or the Building sustained by Tenant or by any occupant of the Premises or by any other person. All property in the Premises or in the Building belonging to Tenant, or to its employees, agents or invitees, or to any occupant of the Premises, shall be there at the sole risk of Tenant and such other person owning the same and neither Landlord shall be liable for the theft, misappropriation or loss thereof except for theft, misappropriation or loss resulting from the negligence, gross negligence or willful misconduct of Landlord, its employees, agents or invitees, or Landlord. Subject to the exceptions in this Paragraph, Tenant agrees to and shall hold harmless and indemnify, protect and defend Landlord, their officers, directors, members, managers, agents, employees and servants against claims and liability for injuries to all persons and for the damage to, or the theft, misappropriation or loss of all property, arising out of the use of the Premises or the acts or omissions of Tenant or of its employees, agents, guests or invitees.

20. Surrender of Premises.

At the termination of this Lease by lapse of time or otherwise, Tenant shall surrender possession of the Premises to Landlord and deliver all keys to the Premises to Landlord and shall return the Premises and all equipment and fixtures of the Landlord therein to Landlord in as good condition as when Tenant originally took possession except for: (i) ordinary wear; (ii) loss or damage by fire or other casualty, guest or invitee of the Tenant, and (iii) alterations made with Landlord's prior consent, unless such consent was conditioned in writing upon the removal by Tenant of such alteration upon the expiration of this Lease. In the event of Tenant's breach of this paragraph, Landlord may repair and/or restore the Premises to such condition and the Tenant shall pay to Landlord the cost thereof. All installations, additions, partitions, hardware, light fixtures, non-trade fixtures and improvements, temporary or permanent, except movable furniture and equipment belonging to Tenant in or upon the Premises, whether placed there by Tenant or Landlord, shall be Landlord's property and shall remain upon the Premises, all without compensation, allowance or credit to Tenant. In the event of Tenant's failure to remove said items, Landlord may remove the same and repair the Premises and Tenant shall pay the cost thereof to Landlord.

21. Holding Over.

In the event the Tenant remains in possession of the Premises after the termination of this Lease, then the Tenant shall pay to the Landlord for each day Tenant retains possession of the Premises or part thereof after termination of this Lease, by lapse of time or otherwise, an amount equal to 150% of the amount of all rent per day (computed on a year 365 days) based on the annual rental due or payable for the period in which such termination occurs. The remedies provided to Landlord in this paragraph are in addition to Landlord's right of re-entry and all other rights and remedies granted by this Lease or by law.

22. Estoppel Certificate.

Tenant agrees, that, from time to time upon not less than ten (10) days prior request by Landlord, Tenant or Tenant's duly authorized representative having knowledge of the following facts, will deliver to Landlord a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which rent and other charges have been paid; (iii) that to Tenant's knowledge the Landlord is not in default under any provision of this Lease, or, if in default, the nature thereof in detail; and (iv) such further factual matters as may be reasonably requested by Landlord, it being intended that any such statement may be relied upon by any mortgagees or prospective mortgagees thereof, or any prospective assignee of any mortgagee thereof, or any prospective and/or subsequent purchaser or transferee of all or a part of Landlord's interest in the Premises.

23. Transfer of Landlord's Interest.

Tenant acknowledges that Landlord has the right to transfer its interest in the Premises and in this Lease, and Tenant agrees that in the event of any such transfer, provided Tenant has notice thereof, Landlord shall automatically be released from all liability under this Lease on and after the time of such transfer and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder.

24. Prohibition Against Recording.

Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by either party or by anyone acting through, under or on behalf of a party, and the recording thereof in violation of this provision shall make this Lease null and void at the other party's election.

25. Signage.

Subject to Landlord approval, Tenant, at Tenant's sole expense may erect, replace, remove signage, provided however that any action taken by Tenant shall be in accordance with and pursuant to any municipal ordinance or other applicable govemmental requirement.

26. Access.

Tenant shall have access to the Premises 24 hours per day, 7 days per week, 52 weeks per year. Except for those keys provided by Landlord, no keys for any door shall be made. If more than two (2) keys for one lock are desired, Landlord will provide such additional keys upon payment by Tenant. All keys must be returned to Landlord at the expiration or termination of this Lease. Tenant shall not attach additional locks or similar devices to any door or window without Landlord's prior written consent.

27. Notices.

Any notice, demand, request or other communication shall be effective only if: (i) delivered by hand to the party to whose attention it is directed at the addresses set forth in this Paragraph 27 or at such other address as the parties may from time to time designate by notice; (ii) sent by Federal Express or similar service for next business day delivery; or (iii) by mailing the same by certified United States mail postage prepaid, return receipt requested, to the addresses listed below, or at such other address as the parties may from time to time designate by notice. Every notice, demand, request or other communication hereunder shall be deemed to have been given when personally delivered or on the second business day following the date when the communication is delivered to said service if it is sent by Federal Express or similar service or on the fifth business day following the date it is deposited in the United States mail if the U.S. Mail is utilized.

If intended for Landlord:
Palos Hills Realty, LLC
8200 S. County Line Road
Burr Ridge, Illinois 60527
Attn: Managing Member

If intended for Tenant:
Palos Hills Surgery Center, LLC
10330 S. Roberts Road
Palos Hills, Illinois 60463
Attn: President

Alternatively, a notice, demand, request or other communication may be given by facsimile transmission subject to the following conditions:

1. The facsimile numbers to be utilized shall be those numbers as listed above or such other such numbers as are provided by any such parties;

2. Any facsimile which is initiated after 5:00 p.m. Central Standard Time on any given day shall be deemed given on the following business day;

3. The sender or transmitter of the communication shall also make a duplicate notification in accordance with the terms of the first sentence of this paragraph only if requested by receiver of fax;

4. Any facsimile transmission made on a day other than a business day shall be deemed given on the first business day following the date the facsimile transmission is made; and

5. Any facsimile transmission made on a business day and prior to 5:00 p.m. Chicago time shall be deemed given on the date of transmission.

28. Force Majeure.

a. Whenever Landlord or Tenant shall be required by the terms of this Lease or by law to perform any contract, act, work, labor or services, or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its rights under this Lease, if and so long as non-performance or default herein shall be directly caused by strikes, unavailability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of said party.

29. Law.

This Lease shall be governed and construed according to the laws of the State of Illinois.

30. Counterparts.

This Lease may be executed in separate counterparts, all of which when taken together shall constitute one and the same instrument notwithstanding the fact that all parties have not signed the same counterpart.

31. Miscellaneous General Provisions.

a. Any amounts of money to be paid by Tenant to Landlord pursuant to the provisions of this Lease, whether or not such payments are denominated "Rent" and whether or not they are periodic or recurring, shall be deemed "Rent" for purposes of this Lease; and any failure to pay any of same as provided in this Lease shall entitle Landlord to exercise all of the rights and remedies afforded hereby or by law for the collection and enforcement of Tenant's obligation to make such payment. Tenant's obligation to make payments pursuant to the provisions of this Lease shall survive the expiration or other termination of this Lease and the surrender of possession of the Premises after any holdover period.

b. This Lease, including all Exhibits and the Lease, constitutes the entire agreement between the parties with respect to the subject matter hereof, and may not be modified except by an instrument in writing executed by the parties.

c. If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

d. Landlord shall not, by virtue of the execution of this Lease or the subleasing of the Premises to Tenant, become or be deemed an agent or principal of, a partner of or in joint venture with Tenant in the conduct of Tenant's business on the Premises or otherwise.

e. As used in this Lease, the word "person" shall mean and include, where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for the singular, and the singular for the plural, where appropriate; and words of gender shall include any other gender. The topical headings of the several paragraphs of this Lease are inserted only as matters of convenience and reference, and do not affect, define, limit or describe the scope or intent of this Lease. The preamble, heading and Recitals prior to the Agreements herein are incorporated herein by this reference, and vice versa, each as if fully set forth in the other.

f. Tenant hereby acknowledges that Landlord shall use its best efforts to ensure that Landlord's obligations are performed in accordance with the terms of this Lease.

g. Each provision of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit, not only to Landlord and Tenant, but also of their respective permitted successors and assigns.

h. Time is of the essence.

i. The prevailing party in any dispute resolution arising from or in conjunction with this Lease shall be entitled to recover its costs related thereto including court costs and reasonable attorney fees.

32. Compliance.

The Parties agree that nothing contained in this Lease shall require either Party or its physicians or other health care providers to refer or admit patients to, or order any goods or services from the other Party. Notwithstanding any unanticipated effect of any provision of this Lease, neither Party will knowingly or intentionally conduct its behavior in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs. Both Parties shall comply with all federal, state, and local laws and regulations. Both Parties certify that it has not been excluded from participation in, or charged with a criminal offense relating to, Medicare/Medicaid or any other federal or state funded health care program.

33. Compliance Certification Statement.

Regarding this Lease, the undersigned certifies that: (i) I have reviewed the Lease, (ii) the Lease includes lease payments consistent with fair market value for the leased space, (iii) overall this Lease is commercially reasonable, (iv)the lease payments are not determined in a

manner that takes into account (directly or indirectly) the volume or value of any referrals and there are no other agreements or written understandings, whether written or oral, to the contrary, (v) I have participated in the negotiation of this Lease and in the event any term or provision is ambiguous, such term or provision shall not be construed against the drafter, and (vi) no referrals were made through Palos Hills Realty, LLC to Palos Hills Surgery Center LLC.

34. Guaranty.

As a condition precedent to the commencement of this Lease, Anton Fakhouri and Gary Kronen shall execute an unconditional, joint and several guaranty of payment for all of Tenant's obligations hereunder.

[signature page to follow]

The parties have executed this Lease as of the date and year first above written.

LANDLORD:

Palos Hills Realty, LLC

By: _____
Name: Anton J. Fakhouri
Title: Manager

TENANT:

Palos Hills Surgery Center LLC

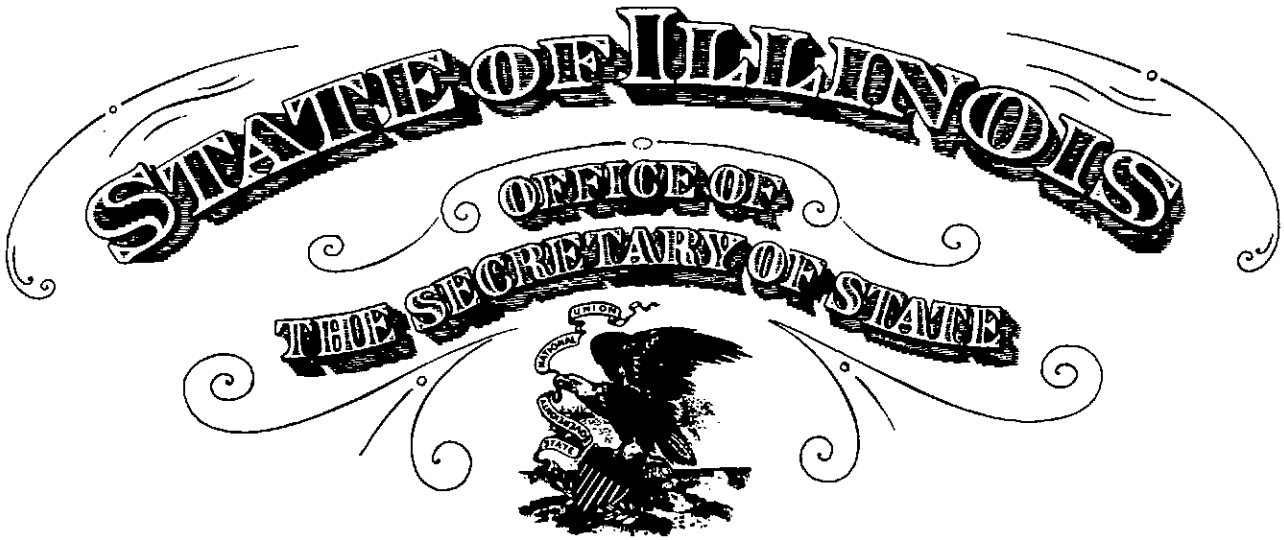
By: _____
Name: Anton J. Fakhouri
Title: President/Member

Section I, Identification, General Information, and Certification
Operating Entity/Licensee

Please see the attached Certificates of Good Standing for Palos Hills Surgery Center, LLC. Persons with 5% or greater interest in the facility are listed below.

Palos Hills Surgery Center, LLC.	
Gary Kronen, M.D.	50%
Anton J. Fakhouri, M.D.	50%

File Number 0358112-8



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

PALOS HILLS SURGERY CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON APRIL 13, 2011, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

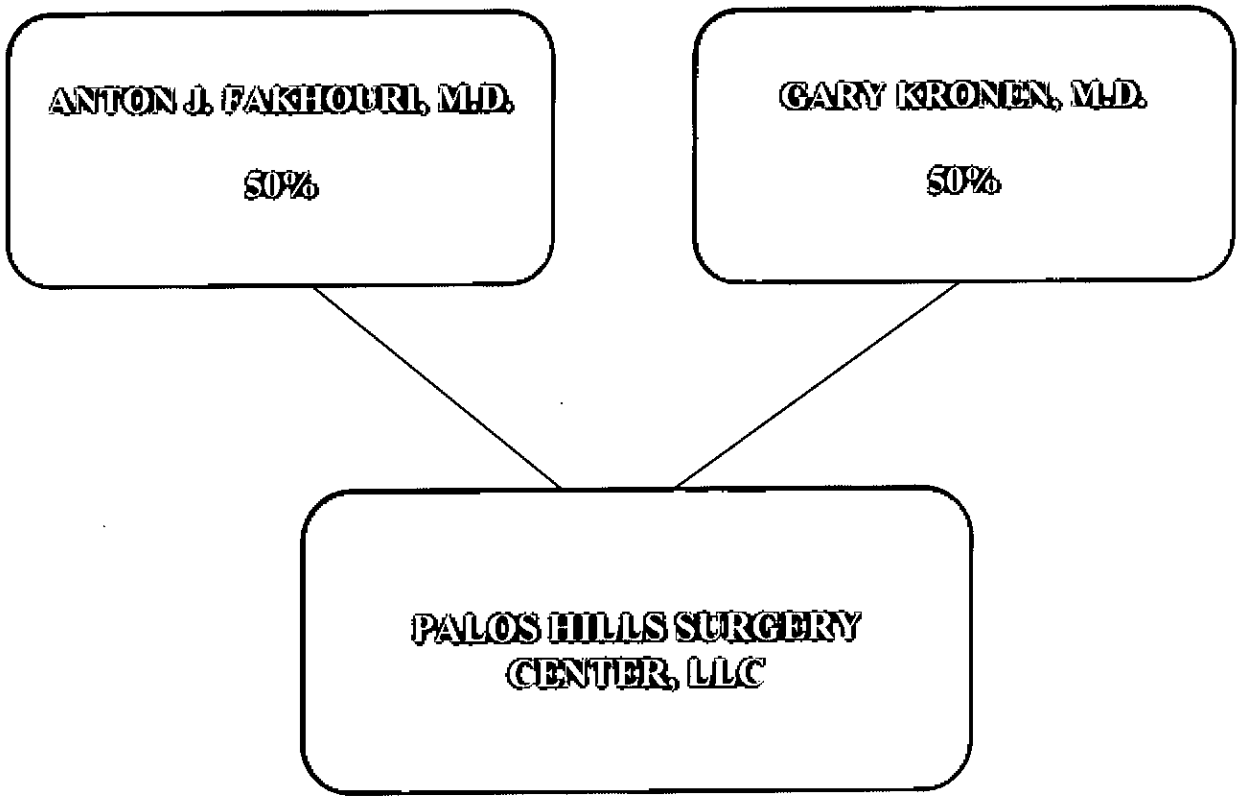
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* AUGUST *A.D.* 2017 .

Authentication #: 1722001200 verifiable until 08/08/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships



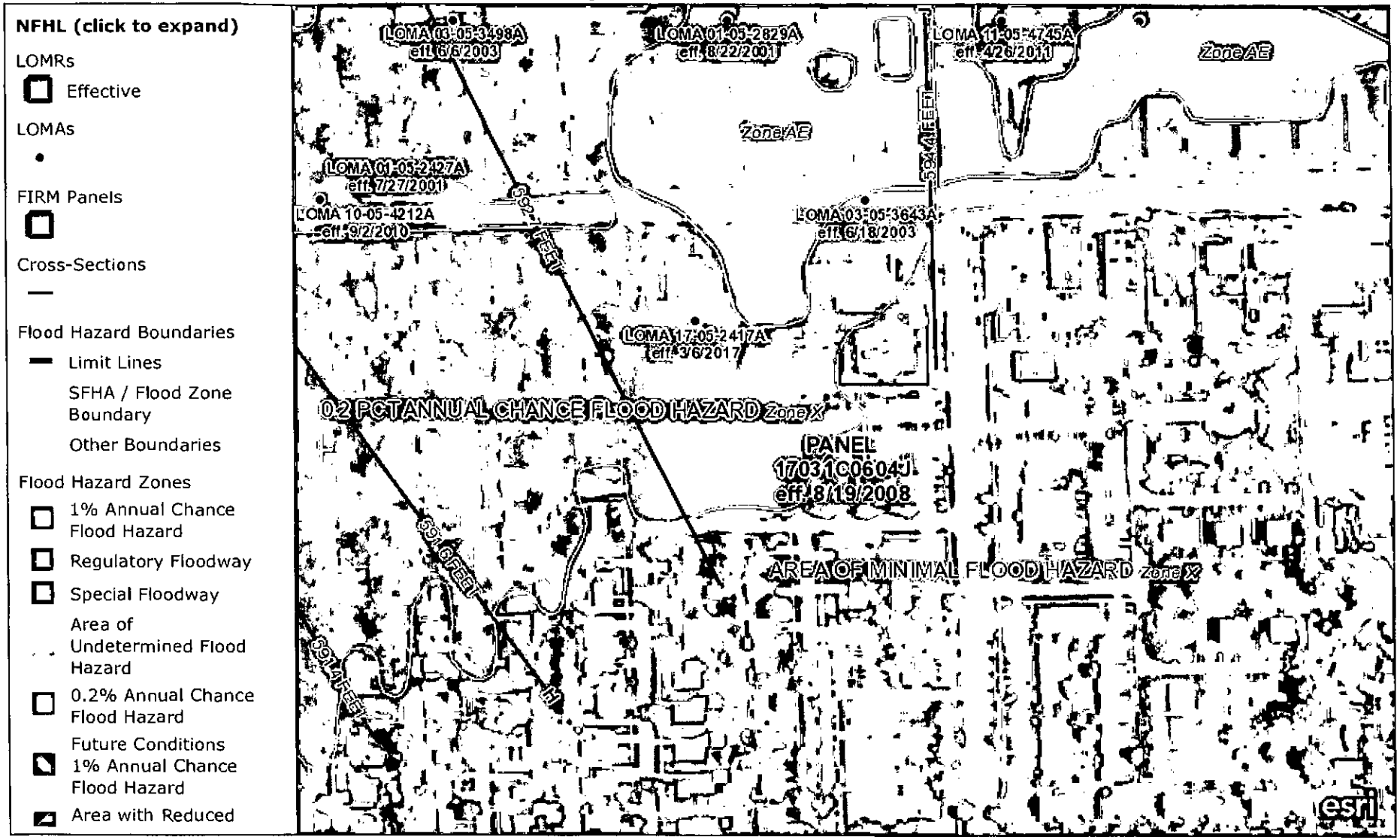
Section I, Identification, General Information, and Certification
Flood Plain Requirements

This project complies with Illinois Executive Order #2005-5.

Please find included with this Attachment:

A Flood Plain map generated using FEMA's flood map generator for 10330 South Roberts Road, Suite 3000, Palos Hills, IL 60465. Please note, the facility falls slightly within the flood plain of a 0.2% Annual Chance Flood Hazard, which does not violate the Executive Order.

FEMA's National Flood Hazard Layer (Official)



Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available: http://tinyurl.com/j4xwp5e

USGS The National Map: Orthoimagery | National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | Print here instead: http://tinyurl.com/j4xwp5e Support: FEMAMapSpecialist@riskmapcds.com | USGS The National Map: Orthoimagery

Section I, Identification, General Information, and Certification

Historic Resources Preservation Act Requirements

The applicants submitted a request for determination that the proposed location is compliant with the Historic Resources Preservation Act from the Illinois Historic Preservation Agency. A copy of the letter is attached at Attachment – 6.

MURER CONSULTANTS, INC.

July 31, 2017

Rachel Leibowitz, PhD
Deputy State Historic Preservation Officer
Illinois Historic Preservation Agency
Preservation Services Division
1 Old State Capitol Plaza
Springfield, IL 62701-1507

Re: Historic Preservation Act Determination

VIA FEDEX

Dear Dr. Leibowitz,

Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, please accept this request for a formal determination that the expansion/modernization of an Ambulatory Surgical Treatment Center (ASTC) at 10330 S. Roberts Rd. Palos Hills, IL, 60465 does not affect historic resources. This request is being submitted by Murer Consultants, Inc. on behalf of Palos Hills Surgery Center, LLC for the purpose of completing a Certificate of Need application with the Illinois Health Facilities and Services Review Board.

This project involves the expansion and modernization of the existing ASTC. The building will house a number of outpatient medical services to improve the health of the surrounding community. Construction will commence once Certificate of Need approval is obtained from the HFSRB. Palos Hills Surgery Center, LLC has previously received approval for the initial construction of the facility from your office under IHPA log #013042511.

Please find attached to this letter the previous, but expired, approval letter for initial construction of the ASTC, a printout showing the location of the property, its current condition, and a photograph of the current building. Likewise, we did not include photographs of the structure currently under construction because it, as a new building, cannot have historical significance. Based on latitude of 41.7031452 and longitude of -87.8179317, the Section, Township, and Range is estimated to be 14, 37N, 12E.

Thank you for your time and consideration. Once you have concluded your review, please send a letter indicating as such to my email bniehaus@murer.com or via fax at 708-478-7094, and to 19065 Hickory Creek Drive, Suite 115, Mokena, IL 60448. Feel free to contact me at (708) 478-7030 should you have any questions.

Sincerely,

Bryan J. Niehaus JD
Senior Consultant
Murer Consultants, Inc. on behalf of Palos Hills Surgery Center, LLC

Illinois Historic
Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Cook County
Palos Hills
Rehabilitation for Ambulatory Surgical Treatment Center
10330 S. Roberts Road
IHPA Log #013042511

May 23, 2011

Monica Hon
Murer Consultants, Inc.
58 N. Chicago St., 7th Floor
Joliet, IL 60432

Dear Ms. Hon:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

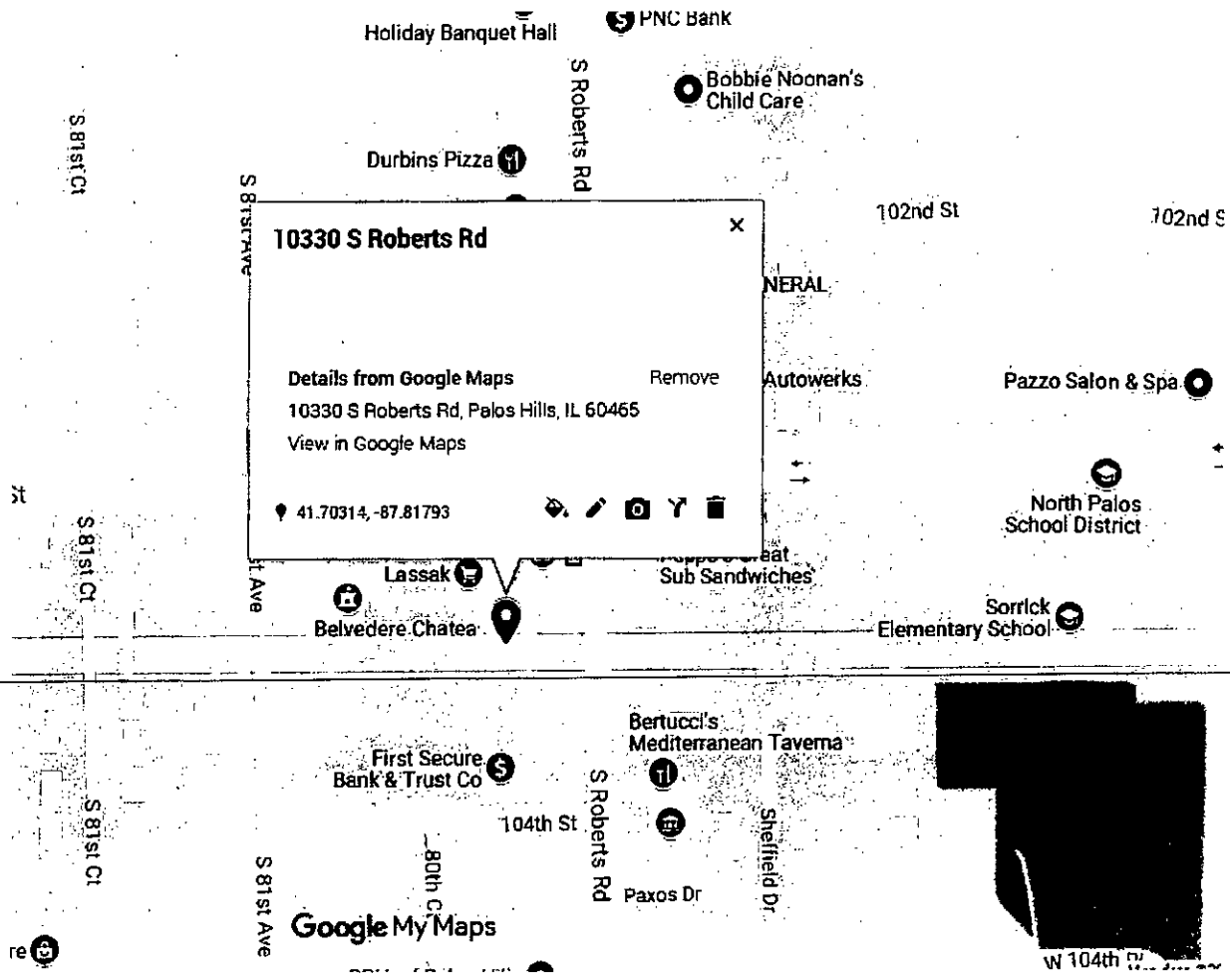
If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

Palos Hills Surgery Center




Bank of America
Financial Center
S Roberts Rd
103rd St
Speedway
Belvedere Chateau
10330 South
Roberts Road
Mediterranean Taverna


MidAmerica
Orthopaedics

Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	Clinical	Non-Clinical	Total
Preplanning Costs	$60,985.00	$13,778.66	$74,763.66
Site Survey and Soil Investigation	$7,092.00	$577.87	$7,669.87
Site Preparation	$115,472.82	$10,265.31	$125,738.13
Off Site Work	$125,000.00	$23,200.00	$148,200.00
New Construction Contracts	$2,210,121.40	$775,630.00	$2,985,751.40
Modernization Contracts	$213,176.10		$213,176.10
Contingencies	$50,000.00	$11,386.14	$61,386.14
Architectural/Engineering Fees	$235,800.00	$70,000.00	$305,800.00
Consulting and Other Fees	$141,000.00	$14,000.00	$155,000.00
Movable or Other Equipment (not in construction contracts)	**$916,988.18**	**$123,500.00**	**$1,040,488.18**
OR Lights and Booms	$46,000.00		46,000.00
OR Tables	$44,000.00		$44,000.00
Side Tables	$10,212.00		$10,212.00
Double Ring Stands	$656.00		$656.00
Electrosurgical Unit, Bipolar	$11,990.00		$11,990.00
Kick Buckets	$299.70		$299.70
Mayo Stands	$1,158.26		$1,158.26
Mayo Stands (Large)	$741.62		$741.62
IV Poles	$638.60		$638.60
Light Boxes	$8,000.00		$8,000.00
Surgeon Stools	$12,500.00		$12,500.00
Anesthesia Stools	$3,000.00		$3,000.00
Air Tourniquets ATS 3000	$7,990.00		$7,990.00
Jackson Table (Flat Top & Spinal Top	$95,000.00		$95,000.00
Wilson Frame	$5,300.00		$5,300.00
Blanket Fluid Warmer	$17,080.00		$17,080.00
Waste Management Suction	$174.00		$174.00
Crash Cart	$1,903.00		$1,903.00
Headlights	$2,864.00		$2,864.00
Microscope	$235,000.00		$235,000.00
Anesthesia Cart	$3,998.00		$3,998.00
Scrub Sink	$22,560.00		$22,560.00
IV Infusion Pumps	$20,800.00		$20,800.00
Anesthesia Machines/Setup	$100,000.00		$100,000.00
Physiological Monitors (Passport 12)	$29,910.00		$29,910.00
Computers	$4,800.00		$4,800.00
Phones	$1,800.00		$1,800.00
Equipment Carts	$18,000.00		$18,000.00
Equipment Carts	$4,500.00		$4,500.00
Linen Carts	$1,956.00		$1,956.00
Stools PACU	$2,436.00		$2,436.00

Table 1120.110			
Project Cost	**Clinical**	**Non-Clinical**	**Total**
Stretcher Chairs	$15,000.00		$15,000.00
OR Carts	$16,000.00		$16,000.00
Patient Thermometer	$1,044.00		$1,044.00
Glovebox Holders	$504.00		$504.00
Hand Sanitizer Dispenser	$660.00		$660.00
Refrigerator	$2,400.00		$2,400.00
Microwave	$240.00		$240.00
Coffeemaker	$179.00		$179.00
Sharps Container (20 Gallon)	$344.00		$344.00
Work Station	$5,500.00		$5,500.00
Sink	$350.00		$350.00
Shelving	$21,000.00		$21,000.00
Sterilizer Steam	$78,000.00		$78,000.00
Washer	$55,000.00		$55,000.00
Lounge/Nourishment Equipment/ Icemaker	$5,500.00		$5,500.00
Waiting Area Furniture		$123,500.00	$123,500.00
Total Project Costs	**$4,075,635.50**	**$1,042,337.98**	**$5,117,973.48**

SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	**$437,785.00**	**$97,778.66**	**$535,563.66**
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Debt Financing	**$3,637,850.50**	**$944,559.32**	**$4,582,409.82**
TOTAL SOURCES OF FUNDS	**$4,075,635.50**	**$1,042,337.98**	**$5,117,973.48**

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
ASTC	$4,075,635.50	5465	10,984	5,519	810	4,655	0
Total Clinical	$4,075,635.50	5465	10,984	5,519	810	4,655	0
NON REVIEWABLE							
Administrative/Building Commons Space/ Stairs/shafts/etc.	$1,042,337.98	846	2,512	1,666	0		0
Total Non-clinical	$1,042,337.98	846	2,512	1,666	0		0
TOTAL	**$5,117,973.48**	**6,311**	**13,496**	**7,185**	**810**	**5,501**	**0**

Section I, Identification, General Information, and Certification
Background of the Applicant

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable:

   Palos Hills Surgery Center, LLC. only owns and operates Palos Hill Surgery Center. PHSC is owned by two physicians, Gary Kronen, M.D. and Anton J. Fakhouri, M.D.

   Anton J. Fakhouri, M.D. also has non-controlling ownership interest in the following ASTC:

   - Tinley Woods Surgery Center
     18200 S. LaGrange Road
     Tinley Park, IL 60477

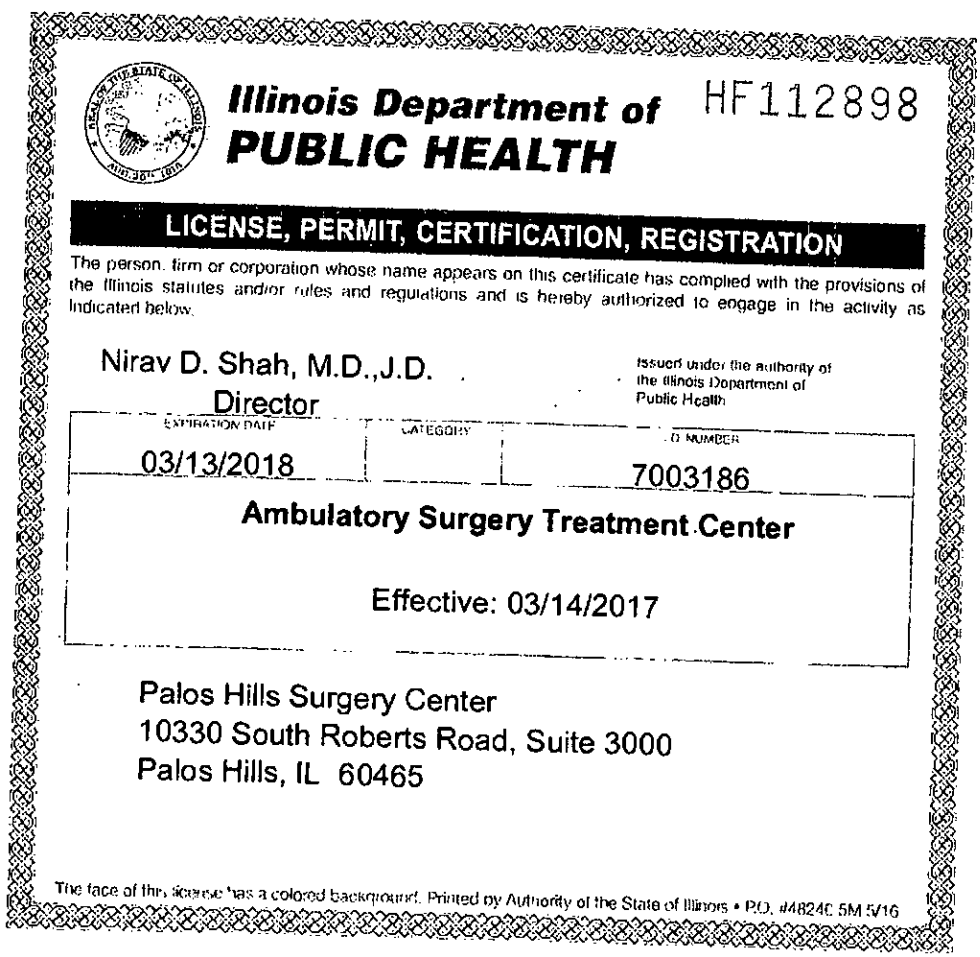
     See Attachment 11-Exhibit 1 for all relevant licensing and/or certification for Palos Hills Surgery Center, LLC

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application:

   There have been no adverse actions taken against any facility owned or operated by Palos Hills Surgery Center, LLC during the three years prior to the filing of this application. See Attachment 11-Exhibit 2 for a statement of certification.

3. See Attachment 11-Exhibit 2, which includes authorization from Palos Hills Surgery Center, LLC certifying that there have been no adverse actions against its facilities listed above and permitting HFSRB and IDPH access to any documents necessary to verify the information submitted in this application.

4. Not Applicable.



Illinois Department of PUBLIC HEALTH

HF112898

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D.,J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
03/13/2018		7003186

Ambulatory Surgery Treatment Center

Effective: 03/14/2017

Palos Hills Surgery Center
10330 South Roberts Road, Suite 3000
Palos Hills, IL 60465

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #48240 5M 5/16

Attachment 11 Exhibit 1

The Joint Commission

July 1, 2014

Ronald P. Ladniak
Administrator
Palos Hills Surgery Center
10330 S Roberts Road
Palos Hills, IL 60465

Joint Commission ID #: 552843
Program: Ambulatory Health Care Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 07/01/2014

Dear Mr. Ladniak:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning June 14, 2014. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark Pelletier

Mark G.Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

Palos Hills Surgery Center, LLC

August 14, 2017

Kathryn J. Olson
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson,

In keeping with 77 Ill. Adm. Code § 1110.230(a) (Background of the Applicant – Information Requirements) please find this letter of certification and authorization.

Specifically, this letter certifies that Palos Hills Surgery Center, LLC has had no adverse actions taken against it in the three years (3) prior to the filing of this application.

Furthermore, Palos Hills Surgery Center, LLC authorizes the Health Facilities and Services Review Board and the Illinois Department of Public Health to access any documents necessary to verify the information submitted, including, but not limited to: official records of the IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

Sincerely,

Gary Kronen, M.D.
Chief Executive Officer
Palos Hills Surgery Center, LLC

Notarization:
Subscribed and sworn to before me this 14th day of August, 2017.

Stacy G. Hendron
Signature of Notary

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230(a) – Purpose of the Project, Safety Net Impact Statement and Alternatives

PURPOSE OF THE PROJECT

1. The Applicant, Palos Hills Surgery Center, LLC, herein requests HFSRB's approval to expand and modernize the Ambulatory Surgical Treatment Center ("ASTC"), known as Palos Hills Surgery Center ("PHSC"), through the addition of two (2) operating rooms; seven (7) recovery rooms, and the modernization of existing areas. The Applicant will remain the direct owner and the licensed entity for the ASTC. Anton Fakhouri, MD and Gary Kronen, MD will remain the joint, indirect owners of the ASTC. The scope of services will remain the same, with the ASTC offering orthopedics and plastic surgery services.

The primary purpose of the project is to enable the applicant to meet the current and future needs of its patients and the community for high quality, cost efficient and accessible outpatient orthopedic and plastic/reconstructive surgical care. The expansion of the facility from two (2) operating rooms to four (4) operating rooms will enable the Applicant to meet this objective by addressing existing issues identified by the Applicants.

Specifically, the project aims to meet the following objectives:

A. Meet the Community Need for Specialized Hand & Upper Extremity Surgical Capacity

The building at 10330 S. Roberts Rd. Palos Hills, IL 60465 contains PHSC as well as a MidAmerica Orthopaedics ("MidAmerica"), which is also owned by Drs. Kronen and Fakhouri. MidAmerica combines the expertise of two renowned physicians in the greater Chicago area collectively specializing in hand and upper-extremity injuries. Specifically, Gary Kronen, M.D. and Anton Fakhouri, M.D. have numerous years of experience. Dr. Fakhouri is Board Certified by the American Board of Orthopaedic Surgery and Surgery of the Hand while Dr. Kronen is Board Certified in Surgery of the Hand and Plastic Surgery.

As discussed below, a primary premise of PHSC since its inception has been to serve as dedicated surgical resource for hand and upper extremity injuries for the community, and MidAmerica physicians perform a substantial amount of these surgeries at the PHSC. In addition to the prolific practices of Dr. Fakhouri and Dr. Kronen, MidAmerica will be adding an additional hand surgeon specialist, Dr. Amin Patel, to the practice in November of 2017. As detailed within this application, the surgical volumes have continually increased at PHSC each year of operation and are projected to greatly exceed current capacity. An expansion in operating room capacity is critical to allow PHSC to meet the community demand for specialized hand and upper extremity surgery.

The PHSC surgeons also recognize the divide in access for patients located in the South and Southwest areas of Chicago, which has been evident by the current volume of hand and upper extremity injuries treated at the facility. Unfortunately, there are limited options for patients in the Chicago area that require surgery of the hand and upper extremity. Although other physicians in the Chicago metropolitan area do specialize exclusively in the diagnosis and surgical treatment of the hand and upper extremities, there are only a handful of practice groups, of which the applicant is aware of, that provide similar services as those provided by Drs. Kronen and Fakhouri at PHSC. As a result, MidAmerica and Palos Hills Surgery Center are often the only option for a number of patients.

In keeping with the mission of providing access to hand and upper extremity injuries to the South and Southwest of Chicago, MidAmerica has offices in Palos Hills, Mokena, and a new office on the South

side of Chicago that opened in June of 2017. With three convenient locations, MidAmerica is able to extend their specialty services in convenient locations. MidAmerica and PHSC are also inclusive of many payors, and are one of only a handful of practices and ASTCs that accept TriCare military insurance. MidAmerica's demand for outpatient surgery has exceeded the current capacity at PHSC and will continue increasing through its new practice location and growing patient base within the community.

PHSC's surgeons provide surgical treatment for injuries ranging from the mundane to extremely complicated conditions requiring significant expertise. The focus on orthopedic injuries and high volume of cases has enabled PHSC surgeons to provide enhanced quality and unparalleled expertise for their patients. PHSC's coordination with the nurses, as well as, occupational and physical therapists of MidAmerica provides excellent and efficient pre-surgical and post-surgical treatment for patients treated at PHSC. By locating PHSC in an office building with MidAmerica, PHSC has been able to provide highly integrated care and ensure superior quality outcomes for all patients with injuries to the hand and upper extremities.

The coordination of care also has eliminated many delays caused by the standard administrative procedures in a Hospital Outpatient Department setting, which can often result in a seven (7) to ten (10) day delay in definitive treatment for surgical care of hand and upper extremity injuries. Such a delay in treatment causes increased loss of work, additional surgical complications due to scar tissue development, and extensions in final recovery periods.

To accommodate the growing surgical volume (See Attachment 15), and still maintain flexibility in scheduling for its patients, PHSC requires additional operating and recovery rooms. This will allow PHSC surgeons to meet its current and future demand for hand and upper extremity surgeries within the specialized PHSC setting.

B. Meet Community Need for Orthopedic Spine and Total Joint Replacement Surgery

MidAmerica also includes a dedicated Total Joint Clinic and Minimally Invasive Spine Surgery clinic. Currently, the advantages of the ASTC setting at PHSC are unavailable to MidAmerica patients requiring these surgical treatments. Since the founding of PHSC, the landscape for orthopedic surgery has continued to develop and progress, allowing for more complex, high acuity services in the ASTC setting. PHSC was not designed with the space or equipment necessary for the most advanced joint replacement and minimally invasive spine surgery techniques. PHSC requires new equipment, larger operating rooms, and additional support areas to enable surgeons to perform these procedures within the cost effective, convenient, and quality setting of care of PHSC.

Dr. Anthony Rinella and Dr. Kevin M. Jackson, board-certified spine surgeons, and Dr. Sarkis Bedikian, an orthopedic surgeon specializing in joint replacement surgery, are among the surgeons who cannot service clinically appropriate patients within the facility without the requested expansion to PHSC. Not only is the community need for orthopedic spine and total joint replacement capabilities demonstrated by the physicians' historical caseload, research confirms that the projected growth in patient demand validates the necessity of these new operating rooms and equipment.

Outpatient total joint replacements are on the rise in the United States. Sg2, a leading health market analytic firm, reported that from 2012 to 2015, there was a 47 percent increase in elective outpatient hip

and knee replacement procedures[1]. Sg2 predicts there will be 77 percent growth in joint replacements over the next 10 years, but inpatient total joint replacements are only projected to grow 3 percent over the same time period. The migration of total joint replacement procedures and higher acuity spine cases to the ASTC setting has been noted as a growing trend within the industry[2].

Growth may be accelerated in the next two years due to CMS's proposal to authorize reimbursement in the ASTC setting for additional joint replacement surgeries in 2018. The movement of Medicare patients to the ASTC, coupled with an existing demand from commercial and self-pay patients, is likely to drive growth in demand beyond the existing supply of appropriately equipped ASTCs within the market area.

The movement to the ASTC setting is due to the multitude of benefits for clinically appropriate patients. Key benefits of outpatient total joint replacement and spinal procedures over traditional inpatient surgery include:

- Decreased risk of infection
- Decreased hospital stay
- Overall decreased cost
- Improved pain management protocols
- Early mobilization
- Careful home monitoring
- Fewer complications
- Improved outcomes
- Increased patient satisfaction
- Increased patient comfort

The expansion of the operating room capabilities to include minimally invasive spinal surgery and total joint replacement will position PHSC to serve the community need in the coming decade and take advantage of the lower cost setting, dedicated staffing, and convenient access for patients at PHSC.

C. Continue Transition from Hospital to ASC Setting

ASTCs provide quality care at a fraction of the cost of hospital outpatient departments by requiring lower overhead costs and focusing solely on the efficient treatment of patients with specialized staff. As the nation continues to drive down the costs of health care, ASTCs are a proven vehicle to achieve cost savings for patients and payors. Current research demonstrates that the ASTC setting is less costly, more efficient, and more convenient for patients and their family.

Research by Elizabeth Munnich and Stephen Parenta, published in Health Affairs Vol. 33, Issue 5, May 2014, concludes that ASTCs provide better care at lower costs than hospital for appropriate patients. On average, the study found procedures performed in ASCs take 31.8 fewer minutes than those performed in hospitals—a 25 percent difference relative to the mean procedure time. Higher risk patients were found to have 2.5% fewer readmissions when treated in an ASTC versus a hospital, and similar patients were less likely to visit an emergency department or be admitted to a hospital following an outpatient surgery when treated in an ASTC rather than a hospital.

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[1] http://newsroom.vizientinc.com/newsletter/research-and-insights-news/outpatient-joint-replacement-unnecessary-concern-or-market-rea

[2] http://www.pinnacleiii.com/wp-content/uploads/2017/03/Looking-Ahead-10-ASC-Trends-to-Watch-in-2017_White-Paper-Interactive-1.pdf

ASTCs reduce out-of-pocket expenses for patients by generally charging lower rates than hospitals for surgical procedures (See Chart A Below). The Medicare Payment Advisory Council (MedPac) stated in report to Congress that "ASCs can offer greater convenience to patients and providers. In addition, program spending and beneficiary cost sharing are lower in ASTCs than in HOPDs on a per service basis. Therefore, a migration of surgical services from HOPDs to ASTCs could reduce aggregate program spending and beneficiary cost sharing." (MEDPAC: Report to Congress: Medicare Payment Policy, Section 2C: Ambulatory surgical centers March 2010).

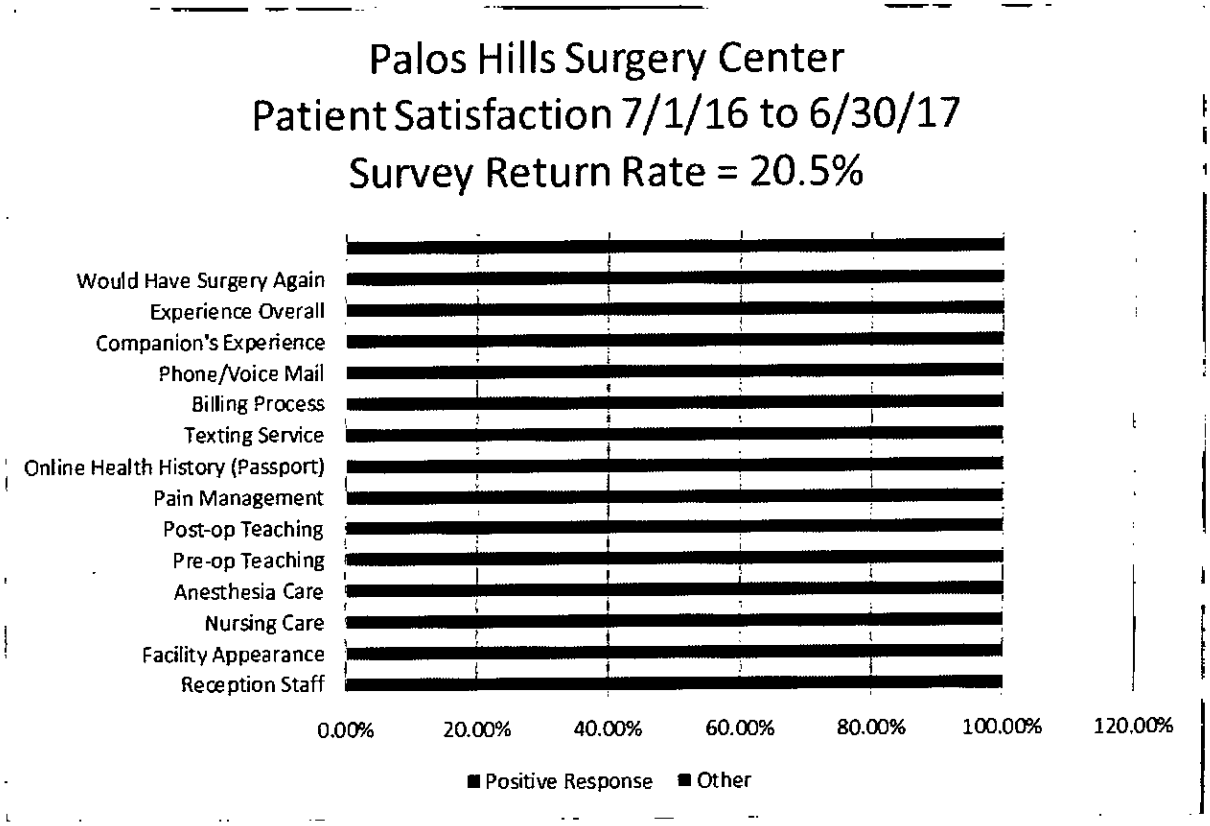
CHART A: ASTC vs. Hospital Reimbursement Examples

HCPCS Code	HCPCS Descriptions	ASC	OPPS	Difference
26145	Synovectomy, Tendon Sheath, (Tenosynovectomy), Flexor Tendon	$ 695.88	$1,260.89	181%
64721	Carpal Tunnel Release	$ 789.34	$1,601.16	203%
26445	Tenolysis Extensor Tendon, Hand Or Finger	$1,219.54	$2,500.65	205%
25295	Release Wrist/Forearm Tendon	$1,219.54	$2,500.65	205%
20680	Removal Hardware, Deep	$1,032.03	$2,222.47	215%
14040	Adjacent Tissue Transfer (Forehead, Cheeks, Chin, Mouth, Neck, Axillae, Genitalia, Hands/Feet)	$ 771.98	$1,521.14	197%
26055	Trigger Finger Release	$ 695.88	$1,260.89	181%
25118	Synovectomy, Extensor Tendon Sheath, Wrist	$1,219.54	$2,500.65	205%
26011	Drainage Of Finger Abscess	$ 521.64	$1,268.53	243%
26593	Release Muscles Of Hand	$1,219.54	$2,500.65	205%
26113	Excision Mass Hand/Finger, Subfascial 1.5 cm or Greater	$ 521.64	$1,268.53	243%

Research has confirmed the MedPac projections. Drs. Brent Fulton and Sue Kim concluded that ASTCs saved the Medicare program and its beneficiaries $7.5 billion from 2008 to 2011. The researchers noted that the study was focused upon the Medicare program, but noted that because ASTCs generally "charge private payers less than their hospital outpatient department counterparts, similar savings also exist in the commercial health market." (Medicare Savings Tied to Ambulatory Surgery Centers, University of California-Berkley School of Public Health, September 2013).

Removed from the hospital setting, ASTCs allow surgeons to be more efficient due to faster room turnover, specialized focuses, and designated surgical times that are not impacted by emergent and trauma cases that can create longer wait times for patients. With easier access to facility parking, reduced wait times, and optimized procedure flow, ASTC services result in higher patient satisfaction. A 2008 Press Ganey survey found an average patient satisfaction of 92% for care and service in ASTCs. (Press Ganey Associates, "Outpatient Pulse Report," 2008.)

Indeed, as displayed in the following table, PHSC has consistently returned positive patient satisfaction results ranging from 94% to 100%.



D. Protect PHSC's Emergency Operative Capabilities for Traumatic Injuries

One of the premises upon which PHSC was founded was to address an issue for area patient who required immediate access to care for traumatic hand and upper extremity injuries. PHSC has successfully addressed an identified need for an ASTC with extended hours, convenient scheduling, and dedicated staff necessary to ensure access to care for patients with traumatic orthopedic injuries that would not be seen in a timely manner under the conventional hospital-based surgery schedule. However, PHSC now faces difficult decisions to meet the current demand for time in the operating room.

As the PHSC volume increases each year, available surgery time for emergent patients becomes more difficult to manage. In conjunction with MidAmerica's urgent care clinic setting, PHSC offers a necessary alternative to the hospital operating rooms for patients with orthopedic injuries that require immediate attention. Local hospital operating rooms often fully booked for scheduled surgeries and trauma patients. Other area ASTCs are unable to offer the continuity of care between MidAmerica's urgent care office setting and the dedicated orthopedic surgery staff at PHSC.

The requested expansion of the facility will ensure emergent surgical capacity remains available at PHSC, without impeding the ability of the facility to offering convenient, scheduled surgeries for its patients and expanded surgical capabilities.

E. Provide Surgical Time for Pediatric / Public Aide Surgeries

Dr. Prasad Gourineni began providing care through MidAmerica and PHSC in June of 2017. Dr. Gourineni is a Pediatric Orthopedic Specialist with a significant Medicaid and self-pay patient population. He has historically encountered difficulty with obtaining surgical times at area ASTCs due to his payor

mix. This has previously forced him to rely upon the more expensive hospital setting, along with encountering the additional issues associated with hospital-based surgeries. These issues, such as convenience, infection rates, and a welcoming atmosphere, all take on renewed significance when treating children. MidAmerica and PHSC have added him as a member of the practice and surgical staff at PHSC, understanding his patients' need for an alternative to the hospital surgery setting. For pediatric patients the PHSC setting is a more inviting, safe, comfortable, and convenient setting, reducing the stresses placed upon the patient and their families.

With a growing patient practice and nearly 400 surgical cases in the last year, Dr. Gourineni will be adding significant surgical volumes to PHSC. The expansion will ensure PHSC and Dr. Gourineni can serve the pediatric, low-income orthopedic patient population within the friendly confines of an ASTC setting.

2. **Market Area / GSA.**

As demonstrated on Attachment 25 Exhibit 2, PHSC intends to continue to serve Chicago and the west and southwest metropolitan areas surrounding Chicago. Section 1110.1540(b) of the HFSRB's rules states that the Geographic Service Area (GSA) includes all zip codes within 45-minutes driving time under normal conditions from the intended site of PHSC. The applicants have attached a map of the areas within 45 minutes at Attachment 12 – Exhibit 1.

In addition, a map of the intended market service area is attached at Attachment 12 Exhibit-1. This map demonstrates a GSA of approximately 30 minutes normal drive time from PHSC, as determined by Microsoft MapPoint 2010, and originally submitted with the original application 11-095. This is representative of PHSC's intended market area. This is approximately 16 miles surrounding the facility.

Below are the approximate 45 minute travel times from PHSC around the GSA. These were developed using MapQuest.

- Northwest to Carol Stream – 45 minutes
- North to Glenview - 45 minutes
- Northeast to downtown Chicago - 45 minutes
- East to South Chicago - 45 minutes
- Southeast to Lansing - 45 minutes
- South to Manhattan - 45 minutes
- Southwest to Joliet - 45 minutes
- West to Naperville - 45 minutes

3. **Existing Problems.**

As outlined in the above responses, the applicants are addressing the following issues through the expansion of the ASTC:

A. Community Need for Hand and Upper Extremity Surgery
B. Community Need for Joint Replacement and Orthopedic Spine Surgery
C. Transition Surgeries from the Hospital to ASTC Setting to Reduce Costs
D. Ensure Access for Emergent Orthopedic Injury Surgery at PHSC
E. Incorporate Pediatric Orthopedic Surgeon Dr. Prasad Gourenini's Surgical Patients

4. **Source Documents**.

- MEDPAC, REPORT TO CONGRESS: MEDICARE PAYMENT POLICY 95 (Mar. 2010), *available at* http://www.medpac.gov/documents/Mar10_EntireReport.pdf.
- Cost and Benefits of Competing Healthcare Providers: Trade-Offs in the Outpatient Surgery Market, Elizabeth L. Munnich and Stephen T. Parente, University of Notre Dame, May 2013.
- Medicare Savings Tied to Ambulatory Surgery Centers, University of California-Berkley School of Public Health, Brent Fulton and Sue Kim, School of Public Health, University of California Berkely, September 2013.
- Market Analysis by Sg2 for Outpatient Surgeries in ASTCs
- ASTC Market White Paper by Pinnacle III

5. **Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.**

As described above, PHSC has enhanced the continuum of care for patients by enabling treatment prior to, during, and after surgery, thus improving quality of care, lowering costs, and lessening the burden on patients. It has also created a venue for immediate treatment for patients. Additionally, PHSC has improved access to a broader spectrum of patients and accommodate the growing demand for its services, to such an extent that the current facility will soon be unable to accommodate the demand.

Likewise, patients are increasingly likely to seek treatment at ASTCs instead of hospital outpatient departments because of reduced costs. PHSC has helped meet this increase in demand and reduce costs for the patient, payors, and healthcare system as a whole. PHSC has not only provided specialized services for hand and upper extremity patients otherwise lacking in the community, but has reduced wait times, provided more convenient and faster scheduling for patients, and maintained a facility of the highest quality.

6. **Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals**.

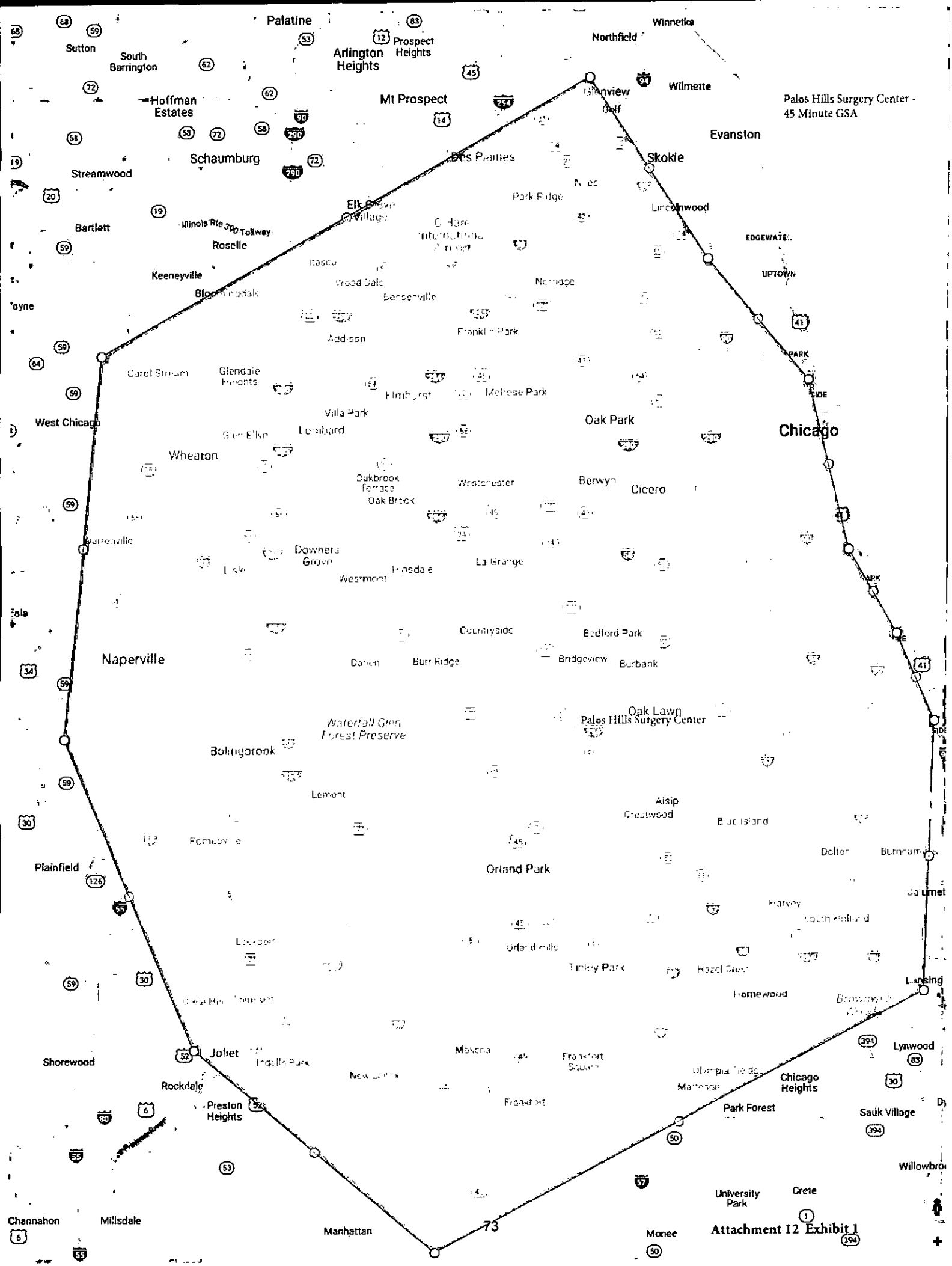
The above responses detail the goals of the project to address identified issues to improve the health and well-being of the community. The significant objectives and timeframes for completing the project are as follows:

- The first goal is to finalize the drawings and obtain the necessary permit approvals by May 31, 2018.
- The second goal is to begin construction in June of 2018 and complete the shell and core for the ASTC by June 1, 2019.
- The third goal is to have the expansion of the facility approved for occupancy and operational by December 1, 2019.

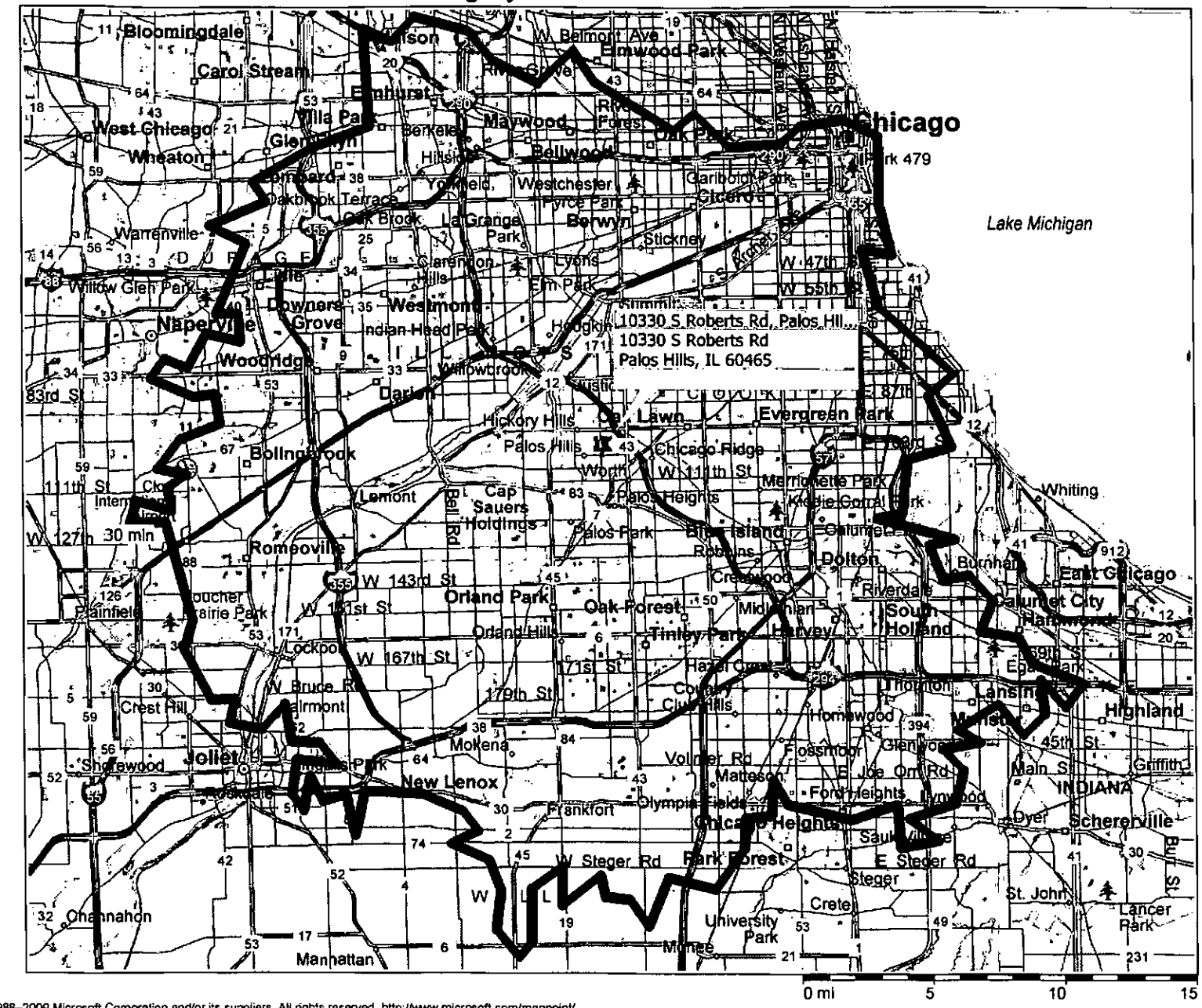
7. **Modernization**

The modernization portion of the project includes the following areas being updated:

1. At the connection points for expansion, a corridor must be extended, and this will require moving some patient lockers, warming cabinets, anesthesia workroom to the addition to allow for the patent corridor to connect.
2. Expanding the women's locker area into the old lounge area due to the increase in ASTC staff. A new lounge will be provided in the addition.
3. The addition of a visitor toilet room.
4. Connection of the new staff lounge to the existing space.
5. Expansion of the medical gas room and vacuum pump to account for the additional operating rooms.


Palos Hills Surgery Center -
45 Minute GSA
Palatine
Sutton
South Barrington
Arlington Heights
Prospect Heights
Northfield
Winnetka
Wilmette
Glenview
Golf
Mt Prospect
Hoffman Estates
Schaumburg
Streamwood
Des Plaines
Skokie
Evanston
Elk Grove Village
Park Ridge
Lincolnwood
Bartlett
Illinois Rte 390 Tollway
Roselle
EDGEWATER
UPTOWN
Keeneyville
Norridge
Bensenville
Addison
Franklin Park
Carol Stream
Glendale Heights
Elmhurst
Melrose Park
West Chicago
Villa Park
Lombard
Oak Park
Chicago
Wheaton
Oakbrook Terrace
Oak Brook
Westchester
Berwyn
Cicero
Downers Grove
La Grange
Westmont
Countryside
Bedford Park
Naperville
Darien
Burr Ridge
Bridgeview
Burbank
Oak Lawn
Palos Hills Surgery Center
Waterfall Glen Forest Preserve
Bolingbrook
Lemont
Alsip
Crestwood
Blue Island
Plainfield
Orland Park
Harvey
South Holland
Orland Hills
Tinley Park
Hazel Crest
Homewood
Lansing
Shorewood
Joliet
Rockdale
Preston Heights
Manhattan
Frankfort
Chicago Heights
Park Forest
Sauk Village
Lynwood
University Park
Crete
Monee
Channahon
Millsdale
73
Attachment 12 Exhibit 1

Palos Hills Surgery Center Market Service Area



By Elizabeth L. Munnich and Stephen T. Parente

DOI: 10.1377/hlthaff.2013.1281
HEALTH AFFAIRS 33,
NO. 5 (2014): 764–769

Procedures Take Less Time At Ambulatory Surgery Centers, Keeping Costs Down And Ability To Meet Demand Up

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ABSTRACT During the past thirty years outpatient surgery has become an increasingly important part of medical care in the United States. The number of outpatient procedures has risen dramatically since 1981, and the majority of surgeries performed in the United States now take place in outpatient settings. Using data on procedure length, we show that ambulatory surgery centers (ASCs) provide a lower-cost alternative to hospitals as venues for outpatient surgeries. On average, procedures performed in ASCs take 31.8 fewer minutes than those performed in hospitals—a 25 percent difference relative to the mean procedure time. Given the rapid growth in the number of surgeries performed in ASCs in recent years, our findings suggest that ASCs provide an efficient way to meet future growth in demand for outpatient surgeries and can help fulfill the Affordable Care Act's goals of reducing costs while improving the quality of health care delivery.

Technological developments in medicine have dramatically changed the provision of surgical care in the United States during the past thirty years. Advances in anesthesia and the development of laparoscopic surgery in the 1980s and 1990s made it possible for patients to be discharged the same day as their surgery, whereas previously they would have had to spend several days in the hospital recovering.[1,2] The introduction of the Medicare inpatient prospective payment system in 1983 created additional incentives for hospitals to shift patient care from inpatient to outpatient departments.[3]

Between 1981 and 2005 the number of outpatient surgeries nationwide—performed either in hospital outpatient departments or in freestanding ambulatory surgery centers (ASCs)—grew almost tenfold, from 3.7 million to over 32.0 million. Outpatient procedures represented over 60 percent of all surgeries in the United States in 2011, up from 19 percent in 1981.[4]

The expansion of health insurance coverage under the Affordable Care Act (ACA) presents opportunities to explore new ways to accommodate the increased demand for outpatient services. In addition, the ACA's goals of reducing the cost and improving the quality of health care delivery makes it increasingly important to find alternatives to existing methods of care delivery that cost less and are in more flexible settings.

ASCs are such an alternative to hospital outpatient departments. The number of ASCs has grown quickly to meet the rising demand for outpatient surgery services since the 1980s.[5] Whereas outpatient departments provide a range of complex services, including inpatient and emergency services, ASCs provide outpatient surgery exclusively. Since most ASCs focus on a limited number of services, they may provide higher-quality care at a lower cost than hospitals that offer a broad range of services.[6] Similar to retail clinics that meet primary care needs, ASCs offer convenient, relatively low-cost access to health care services.[7]

This article addresses the possibilities for ASCs

to generate substantial cost savings in outpatient surgery by presenting new evidence on the cost advantages of these centers relative to hospital outpatient departments. This is particularly important in light of the anticipated growth in demand for outpatient surgeries, in part as a result of the ACA.

Background On Ambulatory Surgery Centers

The number of outpatient surgeries has grown considerably in the United States since the early 1980s. Outpatient surgery volume across both hospital-based and freestanding facilities grew by 64 percent between 1996 and 2006, according to the National Survey of Ambulatory Surgery.[8]

Physicians receive the same payment for an outpatient procedure, regardless of whether it occurred in an ASC or a hospital. However, payments to facilities differ between settings. In general, reimbursements for outpatient procedures in hospitals are higher than those for procedures in ASCs, to account for the fact that compared to ASCs, hospitals must meet additional regulatory requirements and treat patients whose medical conditions are more complex.[9] However, there is little evidence about the extent of cost advantages of ASCs, since these facilities have not historically reported cost or volume data. In spite of the limited availability of information about ASC costs, the Centers for Medicare and Medicaid Services has adjusted the relative facility payments over time to reflect speculative cost differentials across the two types of outpatient surgery facilities.[10]

Changes in reimbursement levels for outpatient procedures have likely contributed to fluctuations in the number of ASCs in recent years. In 2000 Medicare's traditional cost-based reimbursement system for outpatient care in hospitals was replaced with the outpatient prospective payment system, which reimburses hospitals on a predetermined basis for what the service provided is expected to cost.

Noting the dramatic growth in outpatient surgeries performed in ASCs relative to hospitals around the same time, the Centers for Medicare and Medicaid Services subsequently made efforts to reduce ASCs' payments. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 froze ASCs' payment updates, and between 2008 and 2012 Medicare phased in a new system for ASCs' payments based on the outpatient prospective payment system.[9,11] The rates were set so that for any outpatient procedure, payments to ASCs would be no more than 59 percent of payments made to hospitals, phased in fully by 2012. This policy change reduced incentives to treat patients in ASCs, which may have contributed to slower growth in this sector in recent years (Exhibit 1).

In spite of reduced incentives for treating patients outside of hospitals, growth in outpatient volume was greater in ASCs than in hospitals during the period 2007–11. For example, volume among Medicare beneficiaries grew by 23.7 percent in ASCs, compared to 4.3 percent in hospital outpatient departments (Exhibit 2). This suggests that physicians and patients still increasingly prefer outpatient surgery in ASCs to that in hospitals, because of either perceived advantages in cost and quality or resource constraints that inhibit hospitals' ability to meet the growing demand for outpatient surgeries.

ASCs have been praised for their potential to provide less expensive, faster services for low-risk procedures and more convenient locations for patients and physicians, compared to outpatient departments.[11–14] However, if hospitals are better equipped to treat high-risk patients, treating higher-risk patients in ASCs could have negative consequences for patient outcomes.

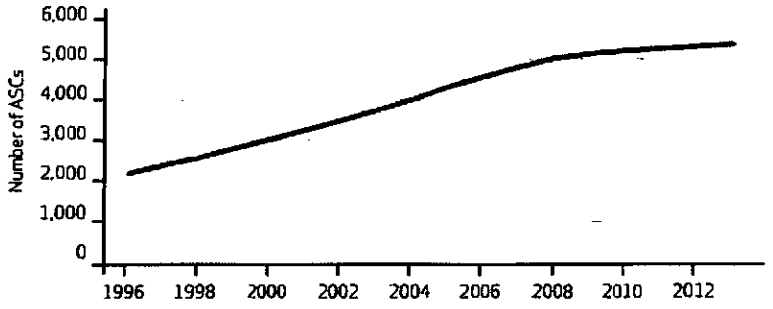
There is little evidence about the quality of care provided in ASCs or their ability to function as substitutes for hospitals in providing outpatient surgery. Comparisons of outcomes between these two types of outpatient facilities are complicated by the fact that ASCs tend to treat a healthier mix of patients than hospitals do. Thus, any differences in observed outcomes between the two settings could reflect differences in underlying patient health instead of differences in quality of care.

Elsewhere, we used variations in ASC use generated by changes in Medicare reimbursements to outpatient facilities to show that patients treated in ASCs fare better than those treated in hospitals.[15] In particular, we considered the likelihood that patients undergoing one of the five highest-volume outpatient procedures[16] visited an emergency department or were admitted to the hospital after surgery. These outcomes have been used in the medical literature as proxies for quality in outpatient surgical care.[17,18] These measures are also interesting from a policy perspective: As of October 2012, as part of the Ambulatory Surgical Center Quality Reporting Program,[19] ASCs are required to report transfers of patients directly from the ASC to a hospital and hospital admissions of ASC patients upon discharge from the facility.

Our findings indicate that the highest-risk Medicare patients were less likely than other high-risk Medicare patients to visit an emergency department or be admitted to a hospital following an outpatient surgery when they were treated in an ASC, even among similar patients

EXHIBIT 1

Number Of Medicare-Certified Ambulatory Surgery Centers (ASCs), 1996–2013



SOURCE Kay Tucker, director of communications, Ambulatory Surgery Center Association, October 29, 2013.

undergoing the same procedure who were treated by the same physician in an ASC and a hospital. These results indicate that ASCs provide high-quality care, even for the most vulnerable patients.

In this article we examine the question of whether or not ASCs are less costly than hospital outpatient departments. The answer to this question is not straightforward, since little is known about surgery cost and volume in ASCs. The often-cited cost differential between ASCs and outpatient departments is frequently attributed to differences in reimbursement rates for the two types of facilities, which reflect hospitals' greater complexity of patients and procedures. But for an average patient undergoing a high-volume procedure, are ASCs more efficient than hospital outpatient departments?

Study Data And Methods

Our analysis incorporated one important aspect of cost in the outpatient surgery setting: the time it takes to perform procedures in ASCs and hospital outpatient departments. For data on that time, we used the National Survey of Ambulatory Surgery. This survey of outpatient surgery in hospitals and freestanding surgery centers in the United States was conducted by the Centers for Disease Control and Prevention from 1994 to 1996 and in 2006.

The 2006 data include patients' diagnoses, demographic characteristics, and surgical procedures, as well as information about length of surgery and recovery for 52,000 visits at 437 facilities. There are four length-of-surgery measures: time in the operating room; time in surgery (a subset of time in the operating room); time in postoperative care; and total procedure time (time in the operating room, time in postoperative care, and transport time between the operating room and the recovery room).

Previous research has documented differences in surgery time between ASCs and hospital outpatient departments.[12,20] However, observed differences in procedure time may reflect underlying differences in patients' characteristics, instead of differences in efficiency between the two types of facilities. To address this concern, we estimated the relationship between outpatient setting and procedure time, controlling for a patient's primary procedure, number of procedures, and characteristics such as underlying health and demographics.[21]

EXHIBIT 2

Number Of Outpatient Surgery Visits, By Facility Type, 2007 And 2011

Type	2007	2011	Change (%)
Ambulatory surgery center	373,284	461,718	23.7
Freestanding	260,466	344,292	32.2
Hospital-based	112,818	117,426	4.1
Hospital outpatient department	1,173,309	1,224,218	4.3
All types	1,546,593	1,685,936	9.0

SOURCE Authors' analysis of a 5 percent sample of Medicare claims data. NOTE The numbers of outpatient department visits include only those that involved at least one surgical procedure.

Study Results

It is the nature of outpatient procedures that the patient spends most of his or her time in a surgical facility preparing for and recovering from surgery, not actually undergoing the surgery (Exhibit 3). This suggests that organization, staffing, and specialization may play a large role in the cost differences between ASCs and hospital outpatient departments.

Our estimates of the time savings for ASC treatment suggest that ASCs are substantially faster than hospitals at performing outpatient procedures, after procedure type and observed patient characteristics are controlled for (Exhibit 4). On average, patients who were treated in ASCs spent 31.8 fewer minutes undergoing procedures than patients who were treated in hospitals—a difference of 25 percent relative to the mean procedure time of 125 minutes (Exhibit 3). Thus, for an ASC and a hospital outpatient department that have the same number of staff and of operating and recovery rooms, the ASC can perform more procedures per day than the hospital can.

We estimated the cost savings for an outpatient procedure performed in an ASC using the results presented above and estimates of the cost of operating room time. Estimated charges for this time are $29–$80 per minute, not including fees for the surgeon and anesthesia provider.[22] Our

calculation suggests that even excluding physician payments and time savings outside of the operating room, ASCs could generate savings of $363–$1,000 per outpatient case.

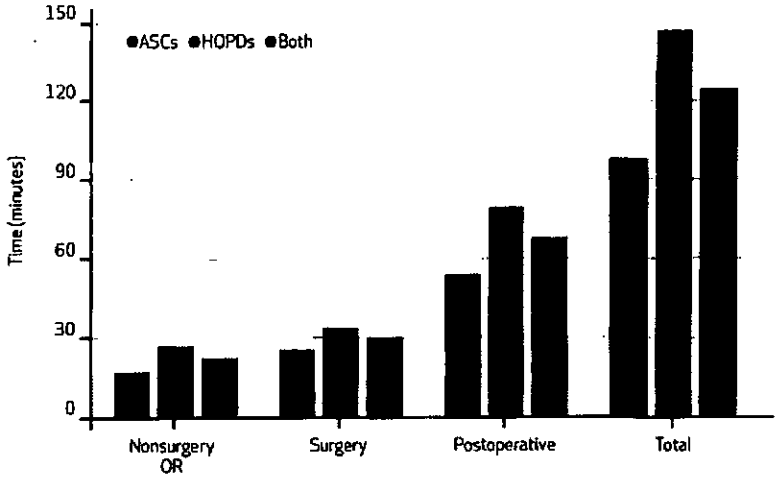
These results support the claim that ASCs provide outpatient surgery at lower costs than hospitals. However, they provide little information about what is driving these cost differences.

Terrence Trentman and coauthors discuss several factors that affect patient flow and could result in differences in preoperative and recovery times for outpatient procedures between in ASCs and hospitals.[20] For example, compared to the situation in hospitals, in ASCs surgeons are more likely to be assigned to a single operating room for all cases, which reduces delays; the operating room is often closer to the preoperative and recovery rooms, because facilities are smaller; teams of staff have clearer and more consistent roles, with less personnel turnover; and staffing is not done by shifts—that is, staff members go home only after all cases are finished, which creates incentives to work quickly. In addition, hospitals may be more likely to have emergency add-on and bring-back cases for more complex cases that compete with outpatient procedures for operating room time.

These differences suggest that hospitals would have to adopt a substantially different and highly specialized organizational model to achieve the same efficiencies as ASCs.

EXHIBIT 3

Average Outpatient Surgical Procedure Time, By Facility Type, 2006



SOURCE Authors' analysis of data from the 2006 National Survey of Ambulatory Surgery. NOTES Estimates were weighted using sample weights. ASC is ambulatory surgery center. HOPD is hospital outpatient department. "Both" is both types of facilities. OR is operating room. "Total" is total procedure time, from entering the operating room to leaving postoperative care, as described in the text.

Discussion

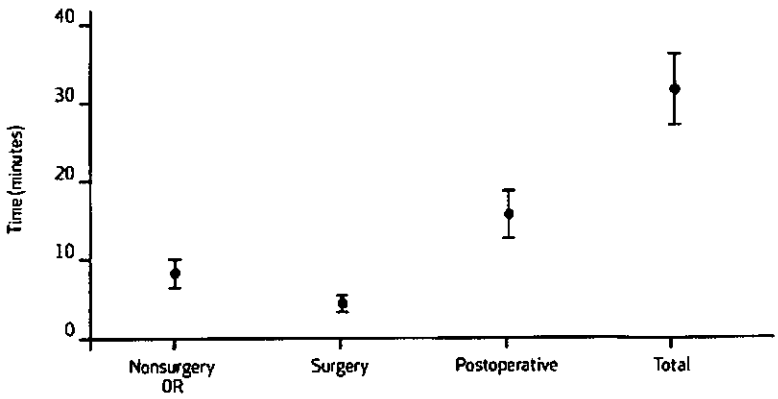
The findings presented here provide evidence that ASCs are a lower-cost alternative to hospitals for outpatient surgical procedures. The tremendous growth in the number of ASCs since the 1980s suggests that these facilities are quite flexible in meeting the growing demand for outpatient services. This is not surprising, given that ASCs have a smaller footprint than hospitals, which makes them less costly to build—particularly in urban environments, where available land may be scarce or difficult to acquire.

The Congressional Budget Office projects that as a result of the ACA, an additional twenty-five million people will have health insurance by 2016.[23] The question of whether the current supply of health care providers will be able to accommodate the anticipated surge in demand for services resulting from the ACA has received a considerable amount of attention.[24]

To get a sense of the magnitude of the anticipated growth in the outpatient surgery market following the ACA, we used a microsimulation model to project hospital outpatient surgical volume through 2021 (for details about the model, see the online Appendix).[25] Our estimates indicated that outpatient surgical volume in hospitals alone will increase by 8–16 percent annually between 2014 and 2021, compared to annual

EXHIBIT 4

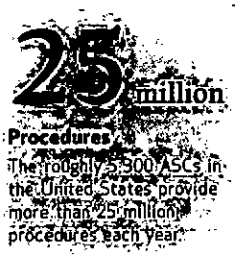
Estimated Time Savings for Ambulatory Surgery Centers (ASCs) Relative to Hospital Outpatient Departments



SOURCE Authors' analysis of data from the 2006 National Survey of Ambulatory Surgery. NOTES Estimates and standard error bars represent results from separate ordinary least squares regressions of nonsurgical time in the operating room, surgery time, postoperative recovery time, and total time on an indicator for treatment in an ASC. (Total time is total procedure time, from entering the operating room to leaving postoperative care, as described in the text.) All regressions controlled for primary procedure, total number of procedures, patient's risk score, age, sex, disability status, type of insurance, and an indicator for whether the facility was located in a Metropolitan Statistical Area. The full specifications for these regressions are available in the online Appendix (see Note 25 in text). Data were balanced across surgery and postoperative time components; the final sample included 34,467 observations. Estimates were weighted using sample weights. Standard errors were clustered at the facility level. All estimates are significant ($p < 0.01$). OR is operating room.

growth rates of 1–3 percent in the previous ten years.

We did not have adequate data on surgical volume in ASCs to produce an equally precise estimate for the projected demand in this sector attributable to the ACA. However, our results indicate substantial growth even in hospital outpatient surgical volume, which has been growing at a much slower rate than ASC surgical volume. The trends in the growth in the number of ASCs before the passage of the ACA and our model for projected growth in the number of hospital outpatient department procedures suggest that it will be increasingly important to identify ways to accommodate growing demand for outpatient surgery. This is particularly important since hospitals will also likely face increased demand for other types of outpatient visits besides surgery after the ACA is implemented.



The rapid growth in the number of procedures performed at ASCs in recent years is a good indication of the ability of the market to expand quickly when there are sufficient incentives for it to do so. The range of surgeries performed in ASCs has increased considerably since the 1980s. In 1981 Medicare covered 200 procedures that were provided in ASCs. Today about 3,600 different surgical procedures are covered under Medicare's ASC payment system.[9] Consequently, the volume of procedures performed in ASCs has increased dramatically, and the share of all outpatient surgeries performed in freestanding ASCs increased from 4 percent in 1981 to 38 percent in 2005.[26,27] The Ambulatory Surgery Center Association has estimated that roughly 5,300 ASCs provide more than twenty-five million procedures annually in the United States.[27]

Physicians who have an ownership stake in an ASC obtain greater profits from performing procedures in these facilities rather than in hospitals. Since physicians receive the same payment for their services regardless of whether procedures are performed in an ASC or a hospital, one implication of ASCs' lowering the cost of outpatient surgery without the price being adjusted accordingly—therefore leading to higher profit per procedure—is that it could create greater incentives for providers to recommend unnecessary procedures in physician-owned ASCs, a concept known as demand inducement. Another consequence of demand inducement is that physicians may respond to the increased number of patients with health insurance—as a result of the ACA—by performing surgeries that are not clinically indicated. Future research should examine the implications of reductions in the cost of outpatient surgery for demand inducement.

Conclusion

The ASC market faces challenges to meeting increased demand for outpatient surgery. As noted above, recent reimbursement changes have lowered payments to ASCs, which reduces the incentives to start or expand these facilities.

This gap in reimbursement is likely to continue to widen because Medicare's reimbursement rates for hospital procedures are updated annually according to projected changes in hospital prices, whereas ASC reimbursements are updated annually according to projected changes in the prices of all goods purchased by urban consumers, and medical spending is increasing at a much faster rate than other spending in the US economy. Furthermore, the disparity between medical and other consumer spending is expected to increase over time.

Critics of ASCs argue that these facilities "cherry pick" profitable patients and procedures, diverting important revenue streams from hospitals.[28–31] In combination with research on the quality of care in ASCs,[15] the findings in this article indicate that ASCs are a high-quality, lower-cost substitute for hospitals as venues for outpatient surgery. Increased use of ASCs may generate substantial cost savings, helping achieve the ACA's goals of reducing the cost and improving the quality of health care delivery. ■

These findings were previously presented at the National Bureau of Economic Research Hospital Organization and Productivity Conference, Harwich, Massachusetts, October 4–5, 2013.

NOTES

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Medicare Cost Savings Tied to Ambulatory Surgery Centers

ASCA
Ambulatory Surgery Center Association

Produced with cost savings analysis from Berkeley
UNIVERSITY OF CALIFORNIA

Acknowledgements

Dr. Brent Fulton, Assistant Adjunct Professor and Research Economist, and Dr. Sue Kim, Research Scientist, both from the Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, School of Public Health, University of California-Berkeley, conducted the cost savings analysis presented in this report.

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EXECUTIVE SUMMARY

Even in today's divisive political environment, there's at least one important area af cansensus amang palicymakers: the threat posed by rising health care costs to both our national economy and the federal and state governments' balance sheets. This concern is particularly acute in the Medicare program, where costs are expected to rise dramatically as new treatments are developed and a generation of Baby Boomers enters retirement. Burgeoning health care costs, it seems certain, will be near the top of Washington, DC's agenda for years to come.

As they work to reduce health care costs and extend the solvency of programs like Medicare, policymakers will confront tough choices in the months and years ahead. Yet, they must also be alert for reforms that cut costs while maintaining quality services for beneficiaries. This analysis by Professor Brent Fulton and Dr. Sue Kim of the University of California at Berkeley explores one possible way for policymakers to generate substantial Medicare savings without reducing services or quality of care.

This study examines ambulatory surgery centers (ASCs). ASCs are technologically advanced medical facilities that provide same-day surgical procedures, including important diagnostic and preventive services like colonoscopies. Today, more than 5,300 Medicare-certified ASCs serve communities throughout our nation. These ASCs perform many of the same procedures as hospital outpatient departments (HOPDs). ASCs, however, are able to provide care much more efficiently and without the often costly overhead associated with hospitals. According to an industry calculation, the Medicare program currently reimburses ASCs at 58 percent of the HOPD rate, meaning that Medicare—and the taxpayers who fund it—realize savings every time a procedure is performed in an ASC instead of an HOPD.

When one considers the millions of same-day surgical procedures performed in ASCs through the Medicare program each year, the nationwide savings add up quickly. In this study, University of California at Berkeley's Professor Brent Fulton and Dr. Sue Kim analyze the numbers to determine how much ASCs save the Medicare program and its beneficiaries. They begin by analyzing government data to identify how much money ASCs saved Medicare in recent years, and then, forecast how much more ASCs will save Medicare in the future. The key findings are the following:

- During the four-year period from 2008 to 2011, ASCs saved the Medicare program and its beneficiaries $7.5 billion. ASCs saved Medicare and its beneficiaries $2.3 billion in 2011 alone.

- $6 billion of these savings were realized by the federal Medicare program. The remaining $1.5 billion went directly to Medicare beneficiaries. In other words, Medicare patients nationwide saved $1.5 billion thanks to the less expensive care offered at ASCs.
- ASCs have the potential to save the Medicare program and its beneficiaries up to $57.6 billion more over the next decade.
- Beneficiaries themselves also stand to save considerably in future years. Because Medicare reimburses ASCs at a lower rate than HOPDs, patients also pay a smaller coinsurance amount in an ASC. The authors use the example of cataract surgery, noting that a Medicare beneficiary will save $148 on his or her coinsurance by electing to undergo surgery in an ASC instead of a hospital.

These findings have important implications for policymakers' ongoing discussion about how to most effectively reduce health care costs and the national budget deficit. The clearest implication is that, while public officials may indeed confront tough choices in the years ahead, the choice to encourage ASC use within the Medicare program is an easy decision. These findings suggest that ASCs offer a "win–win" for patients and the Medicare system, since they provide substantial savings without any corresponding reduction in quality or benefits.

While the future savings offered by ASCs are easily attainable, however, they are not inevitable. Indeed, a discrepancy in Medicare reimbursement policy could jeopardize the savings ASCs provide. Medicare uses two different factors to update ASC and HOPD payments—despite the fact that the two settings provide the same surgical services. ASC payments are updated based on the consumer price index for all urban consumers (CPI-U), which measures changes in the costs of all consumer goods; HOPD rates, meanwhile, are updated on the hospital market basket, which specifically measures changes in the costs of providing health care, and so, more accurately reflects the increased costs that outpatient facilities face.

Since consumer prices have inflated more slowly than medical costs, the gap in ASC and HOPD reimbursement rates has widened over time. If the reimbursement rate for ASCs continues to fall relative to their HOPD counterparts, ASC owners and physicians will face increasing pressure to leave the Medicare system and allow their facilities to be acquired by nearby hospitals. When an ASC is acquired by a hospital, the Medicare reimbursement rate jumps roughly 75 percent. This threatens to turn the cost-saving advantage of ASCs into a perverse market incentive that drives ASCs from the Medicare program.

Already, the widening disparity in reimbursement has led more than 60 ASCs to terminate their participation in Medicare over the last three years. If the reimbursement gap continues to widen, more ASCs will leave the Medicare program. As a result, more Medicare cases will be driven to the HOPD, causing costs to both the Medicare program and its beneficiaries to rise.

Thus, realizing the full potential savings that ASCs offer will likely require policymakers to step in and halt this continuing "slide" in ASC reimbursement rates. Because Medicare saves money virtually every time a procedure is performed in an ASC instead of an HOPD, any policies that reduce the widening reimbursement gap between ASCs and HOPDs, and that otherwise encourage the migration of cases from the hospital setting into ASCs, will increase total savings for the Medicare program and its beneficiaries.

I. AN INTRODUCTION TO AMBULATORY SURGERY CENTERS

Only 40 years ago, virtually all surgeries and diagnostic procedures were performed in hospitals. Today, however, standalone facilities known as Ambulatory Surgery Centers (ASCs) provide outpatient surgical care in an atmosphere removed from the competing demands that are often encountered in an acute care hospital.

ASCs, as this report details, offer patients a cost-effective alternative to hospital outpatient departments (HOPDs). The first ASC opened in 1970, and today, there are more than 5,300 Medicare-certified ASCs in the United States. The overwhelming majority of these ASCs are at least partially owned by physicians, which allows for better control over scheduling, as procedures are not often delayed or rescheduled due to staffing issues or competing demands for operating room space from emergency cases.

ASC surgeons perform a diverse range of procedures, many of them diagnostic or preventive in nature. For example:

- ASCs perform more than 40 percent of all Medicare colonoscopies, contributing to a decade-long decline in colorectal cancer mortality.
- The ASC industry also led the development of minimally invasive procedures and the advancement of technology to replace the intraocular lens, a procedure that is now used nearly one million times each year to restore vision for Medicare patients with cataracts. Once an inpatient hospital procedure, it can now be performed safely at an ASC at a much lower cost.

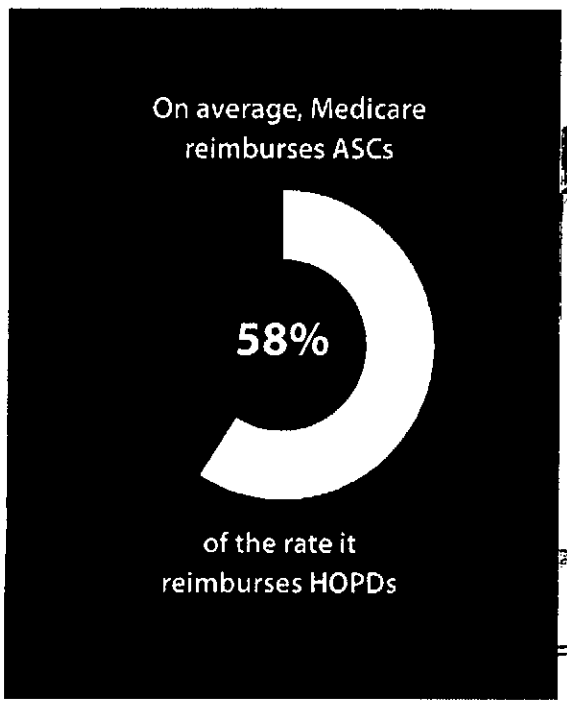
Ambulatory Surgery Centers are modern health care facilities focused on providing a range of same-day surgical care, the same types of procedures that were once performed exclusively in hospitals. Today, as a result of medical advancements and new technologies—including minimally invasive surgical techniques and improved anesthesia—a range of procedures can be performed safely and effectively on an outpatient basis.

II. ASCS: SAVING THE SYSTEM

The more than 5,300 Medicare-certified ASCs in the United States today provide identical services to those performed at HOPDs throughout the country. ASCs are able to perform these surgeries much more efficiently than HOPDs. ASCs do not incur the often substantial administrative and overhead costs associated with a hospital. This enables ASCs to provide these services at substantially less cost to the Medicare program—and to its beneficiaries—than their hospital counterparts.

Today, Medicare reimburses ASCs at an average of 58 percent of the rate it reimburses HOPDs for the same procedures.

The savings that accrue over time, even for individual procedures, are significant. For example, in 2011, Medicare beneficiaries (excluding Medicare Advantage beneficiaries) had 1,709,175 cataract surgeries, of which, 1,120,388 were performed in ASCs and the other 588,787 in HOPDs. The parallel reimbursements per surgery were $951 for an ASC and $1,691 for an HOPD, meaning that every time a patient elected to receive treatment in an ASC, the Medicare program saved $740. When applied across the 1,120,388 cataract surgeries performed in ASCs during 2011, the total savings for this single procedure reached $829 million.



III. COST SAVINGS ANALYSIS

Data and Methodology

Professor Fulton and Dr. Kim conducted the following analysis, which looks at government data from the Centers for Medicare & Medicaid Services (CMS), to answer two fundamental questions. First, how much money did the Medicare program and its beneficiaries save from 2008 to 2011 because surgical and diagnostic procedures were performed at ASCs instead of HOPDs? Second, how much more could the Medicare program and its beneficiaries save over the next decade (2013–2022) if additional procedures move from HOPDs to the ASC setting during that timeframe?

Government data was used to ascertain the volume of procedures performed in ASCs, HOPDs and physician offices from 2008 through 2011, as well as the reimbursement rates for procedures done at ASCs and HOPDs. The volume data reports are from the Medicare Physician Supplier Procedure Specific file available from CMS. It excludes Medicare Advantage enrollees. The ASC reimbursement rates are from the ASC Addendum AA[1], and the HOPD reimbursement rates are from Hospital Outpatient Prospective Payment System Addendum.[2]

When forecasting future cost savings, the Berkeley analysts relied on CMS' predicted number of Medicare beneficiaries from 2013 to 2022. This data set also excludes Medicare Advantage enrollees.[3]

To ensure a realistic baseline for their analysis and predictions, the analysts limited the data set to the 120 procedures most commonly performed at ASCs in 2011, which represented 73 percent of the total volume of all procedures performed in ASCs in 2011.[4]

Past Savings

To estimate the savings generated by ASCs from 2008 to 2011, the analysts calculated the differences in reimbursement rates for each of the 120 procedures, then multiplied those differences by the number of procedures performed at ASCs. For example, the cataract surgery discussed in the previous section, when performed in an ASC, generated a total of $829 million in savings in 2011. They applied the same method for all of the 120 procedures in each year from 2008 to 2011. They broke the numbers into savings that accrued to the Medicare program and savings that directly benefited beneficiaries. The beneficiary share of the total savings was 20 percent over the four-year period. Professor Fulton's and Dr. Kim's analysis found the following:

- During the four-year period from 2008 to 2011, the lower ASC reimbursement rate generated a total of $7.5 billion in savings for the Medicare program and its beneficiaries.
- $6 billion of these savings were realized by the federal Medicare program. The remaining $1.5 billion was saved by Medicare beneficiaries themselves. In other words, Medicare patients nationwide saved $1.5 billion thanks to the less expensive care offered at ASCs.
- These savings increased each year, rising from $1.5 billion in 2008 to $2.3 billion in 2011. The increase results from the total number of procedures growing from 20.4 million to 24.7 million (or 6.6 percent annually) between 2008 and 2011 as well as the reimbursement rate gap widening between HOPDs and ACSs. These savings were realized despite the share of total Medicare procedures performed in ASCs decreasing over this period, falling from 22.9 percent in 2008 to 21.7 percent in 2011.

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2 http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html
3 http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/downloads/tr2011.pdf (p.51).
4 The data set was initially narrowed to 148 procedures, which represented about 90% of the total volume. Twenty-seven procedures were dropped because of missing data on the number of procedures or reimbursement rates. One additional procedure was dropped the ASC share was 100%, and it thus provided no basis for comparison with HOPDs.

These findings are illustrated in the following chart.

Descriptor	Annual Change	Total (2008—2011)	2008	2009	2010	2011
Number of procedures per 1,000 Medicare beneficiaries	5.6%		573.9	587.3	600.3	674.9
Procedures (million)						
ASC	4.7%	19.5	4.7	4.7	4.8	5.4
HOPD	5.9%	22.3	5.3	5.3	5.4	6.3
Physician office	7.7%	45.5	10.4	10.8	11.3	13.0
Total # of procedures	6.6%	87.3	20.4	20.8	21.5	24.7
ASC share*	1.5%	22.3%	22.9%	22.7%	22.3%	21.7%
Savings ($billion) **						
Program	16.6%	$6.0	$1.2	$1.4	$1.5	$1.9
Beneficiaries	14.8%	$1.5	$0.3	$0.4	$0.4	$0.5
Total***	16.3%	$7.5	$1.5	$1.8	$1.9	$2.3

Notes:

*The ASC share reported in the table is influenced by (or weighted for) high-volume procedures, such as cataracts. The analysts also calculated the ASC share based on a simple average across the 120 procedures. The ASC shares for 2008 to 2011 were 30.4%, 31.0%, 31.4% and 31.8%, respectively, each year, and averaged 31.1% over the four years.

**Savings are reported in nominal dollars.

***Totals may not sum and percentages may not total to 100% due to rounding.

Future Savings

The ASC industry is certain to continue generating savings to both the Medicare program and its beneficiaries over the next decade. The magnitude of these savings, however, will hinge on whether, and how much, the ASC share of surgeries grows within the Medicare program. That growth rate will, in turn, depend on market trends, demographic factors and how policymakers act—or decline to act—to encourage the use of ASCs within the Medicare program.

To estimate the savings Medicare would realize from having more procedures performed in ASCs from 2013 to 2022, Professor Fulton and Dr. Kim applied the methodology above to six scenarios. These six scenarios, which incorporate different assumptions about both the growth of ASC share and the overall growth of Medicare procedure rates, provide a range of possible savings offered by ASCs in the next decade.

The analysts divided the scenarios into two subsets. For subset A, they assumed that the number of procedures per 1,000 Medicare beneficiaries would remain constant at the 2010 rate. For subset B, they assumed that the 2011 rate would increase by 3 percent annually for each procedure.[5] Within each subset, the analysts examined three scenarios:

1. The ASC share of each procedure in 2011 will remain constant between 2013 and 2022. *This is a baseline assumption that assumes ASC share does not grow at all in the coming decade.*

2. The ASC share of each procedure will increase by 2 percent per year from 2013 through 2022, equivalent to the average increase across procedures from 2008 through 2011.[6] The analysts capped the share for any given procedure at 90 percent to avoid implausible assumptions.

3. The ASC share growth for each procedure will vary depending on that procedure's historical share growth rate. The analysts assumed three growth rates and, again, capped the share for any single procedure at 90 percent.

   - The "low" group included procedures that had negative or no growth in the share of procedures performed at ASCs during 2008–2011. The analysts assumed that the ASC share of these procedures will increase 1 percent annually from 2013–2022. This group included approximately 30 percent of the procedures.

   - The "middle" group included procedures that had up to 5 percent growth in share of procedures performed at ASCs during 2008–2011. It was assumed that the ASC share of these procedures will increase 5 percent annually from 2013–2022. This group included approximately 43 percent of the procedures.

   - The "high" group included procedures that had greater than 5 percent growth in share of procedures performed at ASCs during 2008–2011. This group had a median ASC share growth rate of about 11 percent annually during 2008–2011. The analysts projected that the ASC share of these procedures will increase 10 percent annually from 2013–2022. This group included approximately 27 percent of the procedures.

The estimated savings are tabulated in the following table. The savings analysis and predictions for each individual procedure are tabulated in the appendix.

5 The number of procedures per 1,000 Medicare beneficiaries significantly increased between 2010 and 2011 (see table on page 9). For the lower-savings estimates (subset A), the lower 2010 rate was used as a baseline. For the higher-savings estimates (subset B), the 2011 rate was used as the baseline.

6 The 2% annual average increase is based on a simple average across the 120 procedures, meaning the average is not influenced by (or weighted for) for high-volume procedures, such as cataracts.

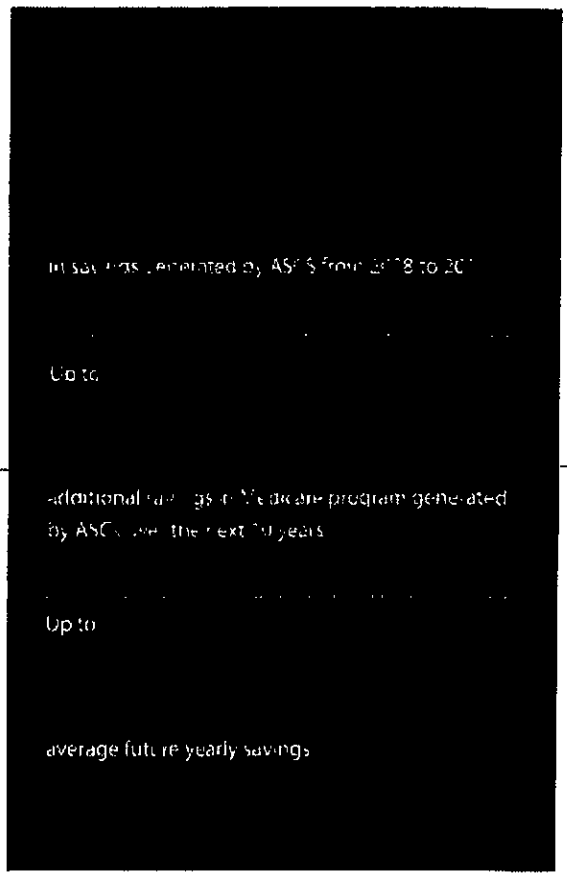
Projected Savings ($Billion)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2018-2022	2013-2022
A. Volume of Procedures per 1,000 Medicare Beneficiaries Remains Constant and:													
A1. ASC share remains constant	$2.3	$2.5	$2.8	$3.0	$3.2	$3.3	$3.5	$3.7	$4.0	$4.2	$13.7	$18.7	$32.5
A2. ASC share increases at 2% annually	$2.4	$2.7	$3.0	$3.3	$3.6	$3.8	$4.1	$4.4	$4.8	$5.2	$14.9	$22.5	$37.3
A3. ASC share increases either 1%, 5% or 10% annually (depending on the procedure)	$2.5	$2.8	$3.1	$3.5	$3.8	$4.2	$4.6	$5.0	$5.5	$6.0	$15.7	$25.3	$41.0
B. Volume of Procedures per 1,000 Medicare Beneficiaries Increases by 3% Annually and:													
B1. ASC share remains constant	$2.8	$3.1	$3.5	$3.9	$4.3	$4.7	$5.1	$5.5	$6.0	$6.6	$17.6	$27.9	$45.5
B2. ASC share increases at 2% annually	$2.9	$3.3	$3.8	$4.3	$4.8	$5.4	$5.9	$6.6	$7.4	$8.2	$19.1	$33.4	$52.6
B3. ASC share increases either 1%, 5% or 10% annually (depending on the procedure)	$3.0	$3.5	$4.0	$4.6	$5.2	$5.8	$6.6	$7.4	$8.3	$9.4	$20.2	$37.5	$57.6

Note: Savings are reported in nominal dollars. In all scenarios, the Berkeley analysts inflated the reimbursement amounts over time using a forecasted Consumer Price Index for All Urban Consumers, which averaged 2.4% from 2013–2022.

Conclusions

ASCs saved the Medicare program and its beneficiaries $7.5 billion over the four-year period from 2008 to 2011. Even under the most conservative assumptions, the future savings generated by ASCs are substantial.

- Under the baseline scenario, which assumes that neither ASC share nor Medicare procedure volume will grow over the next decade, ASCs will save the Medicare program an additional $32.5 billion during that time.
- As the share of procedures performed in ASCs grows within the Medicare program, so do the savings. If ASC share within the Medicare system increases even slightly, as in scenarios B2 and B3, the savings could exceed $57.6 billion over 10 years—an average savings of $5.76 billion each year.
- Medicare beneficiaries also save money by choosing ASCs, since a lower Medicare reimbursement rate means that patients, in turn, pay a smaller coinsurance. While the forward-looking portion of this study does not examine coinsurance rates for each procedure, it is clear that the savings realized by the Medicare program imply additional savings for beneficiaries. Using the example of cataract surgeries: a Medicare beneficiary will pay coinsurance of $338.20 for such a surgery to be performed in an HOPD, but only $190.20 for that same surgery in an ASC—a $148 savings that goes directly to the patient.



Further, the above estimates are quite conservative. Even the most "optimistic" scenario assumes that ASC share growth per procedure grows only modestly more quickly than historical averages, and that Medicare volume grows at a modest, and historically consistent, rate. If policy decisions or other factors cause either growth rate to accelerate further, the savings generated by ASCs within the Medicare system would certainly exceed the $57.6 billion estimated here.

A final note: although this study examined only data from the Medicare program, ASCs typically also charge private payers, including those in the Medicare Advantage program, less than their HOPD counterparts. Thus, similar cost savings also exist in the commercial health insurance market and in the Medicare Advantage program. We believe it is important to quantify these private-side savings as well and encourage others to examine this subject in future studies.

IV. POLICY IMPLICATIONS AND CONSIDERATIONS

An aging population, along with inflation in health care costs, means that the federal government's expenditures through the Medicare program are projected to increase substantially in the coming years. Consequently, policymakers in Washington, DC, are exploring potential ways to reduce projected Medicare outlays and extend the program's solvency. We believe that this study offers an important contribution to that discussion. Two specific policy concerns stand out.

AVOIDING ASC TO HOPD CONVERSIONS

Our first and most important observation is that, while the future savings offered by ASCs are easily attainable, they are not inevitable. Because they provide identical services to HOPDs but do so at an average of 58 percent of the reimbursement rate that the Medicare program pays HOPDs for those services, ASCs represent a source of value to the program and the taxpayers who fund it. A discrepancy in the way Medicare reimbursement rates are updated, however, threatens to marginalize ASCs' role within the program.

CMS currently applies different measures of inflation to determine the adjustments it provides to its payment systems for ASCs and HOPDs each year. For ASCs, that measure is the CPI-U, which is tied to consumer prices. The index for HOPD reimbursements, on the other hand, remains tied to the hospital market basket, which measures inflation in actual medical costs. Since consumer prices have inflated more slowly than medical costs, the gap in ASC and HOPD reimbursement rates has widened over time. As the reimbursement rate for ASCs continues to fall relative to their HOPD counterparts, ASC owners and physicians will face increasing pressure to leave the Medicare system and allow their facilities to be acquired by nearby hospitals.

When an ASC is acquired by a hospital, in what is known as "an ASC to HOPD conversion," the Medicare reimbursement rate jumps roughly 75 percent and all savings to the Medicare program and its beneficiaries are promptly lost. The continuing reduction in reimbursement led more than 60 ASCs to terminate their participation in Medicare over the last three years. If policymakers allow this gap in reimbursements to continue widening, the cost-saving advantage that ASCs offer could morph into a perverse market incentive that drives ASCs from the Medicare program.

Some in Congress have introduced legislation, which is titled the "Ambulatory Surgical Center Quality and Access Act," that aims to fix this problem. This bill would correct the imbalance in reimbursement indices and ensure that ASC reimbursements do not continue to fall relative to their HOPD counterparts. Additionally, it would establish an ASC value-based purchasing (VBP) program designed to foster collaboration between ASCs and the government and create additional savings for the Medicare system in the process.

ASCS AS PART OF BROADER COST-SAVINGS EFFORTS

Many of the policy options aimed at reducing Medicare costs that are being considered in Congress today involve important "trade-offs," where reduced outlays come at the expense of retirees' benefits. Often-discussed options such as raising the Medicare retirement age or increasing cost-sharing, for example, generate savings as a direct result of reducing the amount of benefits delivered by the Medicare program. The savings offered by ASCs, however, do not involve such trade-offs; they make it possible for the Medicare program, and its beneficiaries, to realize significant savings without any corresponding reduction in benefits.

There are more than 5,300 Medicare-certified ASCs throughout the country, all of which represent an important source of efficiency for the Medicare program and the taxpayers who fund it. We recommend that policymakers explore all potential options for encouraging further growth of ASC share within the Medicare system.

APPENDIX: METHODOLOGY AND CHART OF INDIVIDUAL PROCEDURE SAVINGS

The following table shows detailed statistics for the 120 procedures. In the table, the procedures are first sorted by the annual ASC share increase assumptions in Scenarios A3 and B3, which were 1, 5, and 10 percent annually (see Column "% ASC Share Growth Assumptions for A3 and B3"). Within the 1, 5, and 10 percent buckets, the procedures are then sorted based on the savings they generated in 2011 (see Column "Savings 2011").

The table shows the average annual change in the ASC share from 2008 through 2011, the 2011 ASC share of procedures and projected ASC share in 2022 if the share increases by 2 percent annually or in the range of 1 to 10 percent annually. In addition, it shows the 2011 and projected 2022 volume per 1,000 Medicare beneficiaries. Most importantly, those columns are followed by two sets of three columns that show the projected savings estimates in 2022 when the number of procedures per 1,000 Medicare beneficiaries remains constant and when the number of procedures per 1,000 Medicare beneficiaries increases by 3 percent per year. Within each set, the ASC share assumptions are based on the assumptions presented in the table on page 11.

The first row of the table illustrates that cataract surgeries (HCPCS 66984) alone generated a savings of $829 million in 2011. In 2011, the ASC share of this procedure was 56 percent, and that share either increases to 62 or 69 percent depending on the scenario. Depending on whether the number of cataract surgeries per 1,000 Medicare beneficiaries increases and the share of procedures performed in ASCs, the projected savings for Medicare and its beneficiaries range from $1.5 billion to $2.95 billion in 2022.

The last row of the table shows column totals and averages (see page 9). In 2011, there were $2.3 billion in savings for the 120 procedures, and the projected savings in 2022 range from $4.2 billion to $9.4 billion, depending on the scenario.

No.	HCPCS	HCPCS Description	Savings 2011 ($million)	Average Annual ASC Share Change 2008-2011	Baseline: 2011 ASC Share of Procedures	Projected ASC Share for 2022 (2% increase per year)	Projected ASC Share for 2022 (share increase varies)	2011 Volume of Procedures (# per 1,000 Medicare Beneficiaries)	Projected Volume of Procedures for 2022 (# per 1,000 Medicare Beneficiaries)*	Volume per 1,000 Medicare Beneficiaries Remains Constant			Volume per 1,000 Medicare Beneficiaries Increases By 3% per Year			5% ASC Annual Share Growth Assumption for A3 & B3	Reimbursement Difference Between ASCs and HOPDs 2011
										A1. Baseline: Savings for 2022 (ASC share remains constant) ($million)	A2. Savings for 2022 (ASC share increases 2% per year) ($million)	A3. Savings for 2022 (ASC share increase varies) ($million)	B1. Baseline: Savings for 2022 (ASC share remains constant) ($million)	B2. Savings for 2022 (ASC share increases 2% per year) ($million)	B3. Savings for 2022 (ASC share increase varies) ($million)		
1	66984	Cataract surg w/iol 1 stage	$829	-3.56%	56%	69%	62%	54.9	76.0	$1,500	$1,870	$1,670	$2,370	$2,950	$2,650	1%	$740
2	66982	Cataract surgery complex	$63	-0.96%	52%	65%	59%	4.4	6.1	$116	$144	$129	$180	$224	$201	1%	$740
3	64483	Inj foramen epidural l/s	$60	-3.02%	35%	44%	39%	20.6	28.5	$106	$132	$119	$173	$215	$193	1%	$229
4	62311	Inject spine l/s (cd)	$53	-13.67%	26%	33%	29%	24.1	33.4	$73	$91	$82	$152	$188	$169	1%	$229
5	66821	After cataract laser surgery	$43	-2.96%	43%	54%	48%	16.2	22.4	$86	$107	$96	$124	$154	$138	1%	$169
6	29881	Knee arthroscopy/surgery	$25	-0.25%	39%	48%	43%	2.0	2.7	$51	$64	$57	$71	$89	$79	1%	$903
7	28285	Repair of hammertoe	$22	-0.22%	37%	46%	41%	2.4	3.3	$38	$47	$43	$64	$79	$71	1%	$681
8	43235	Uppr gi endoscopy diagnosis	$21	-0.18%	34%	43%	38%	6.1	8.5	$38	$47	$42	$59	$73	$66	1%	$268
9	64622	Destr paravertebrl nerve l/s	$18	-4.98%	35%	44%	40%	3.6	5.0	$28	$34	$31	$52	$64	$58	1%	$386
10	52000	Cystoscopy	$16	-0.03%	8%	10%	9%	24.4	33.8	$33	$41	$37	$47	$58	$52	1%	$224
11	62310	Inject spine c/t	$14	-13.54%	30%	37%	33%	5.5	7.6	$18	$23	$20	$39	$49	$44	1%	$229
12	29848	Wrist endoscopy/surgery	$11	-0.10%	51%	63%	57%	0.7	0.9	$20	$25	$23	$32	$40	$36	1%	$903
13	29823	Shoulder arthroscopy/surgery	$10	-2.73%	28%	35%	31%	0.7	0.9	$14	$17	$16	$29	$36	$32	1%	$1,460
14	63650	Implant neuroelectrodes	$9	-20.87%	24%	29%	26%	1.2	1.7	$10	$12	$11	$26	$32	$29	1%	$846
15	20680	Removal of support implant	$7	-1.14%	26%	32%	29%	1.1	1.5	$14	$17	$15	$21	$27	$24	1%	$720
16	28296	Correction of bunion	$7	-0.91%	41%	50%	45%	0.5	0.7	$15	$18	$17	$20	$25	$23	1%	$1,002
17	52005	Cystoscopy & ureter catheter	$7	-0.11%	25%	31%	28%	0.9	1.3	$12	$15	$13	$19	$24	$22	1%	$794
18	45381	Colonoscopy submucous inj	$7	-4.10%	43%	54%	48%	1.5	2.0	$7	$9	$8	$19	$23	$21	1%	$281
19	36561	Insert tunneled cv cath	$6	-1.43%	7%	8%	7%	2.6	3.7	$12	$15	$13	$17	$21	$19	1%	$927
20	29875	Knee arthroscopy/surgery	$5	-1.21%	46%	57%	51%	0.3	0.4	$8	$10	$9	$14	$17	$15	1%	$903
21	30520	Repair of nasal septum	$5	-0.30%	30%	37%	34%	0.6	0.8	$8	$9	$8	$14	$17	$15	1%	$773
22	52281	Cystoscopy and treatment	$5	-0.75%	9%	11%	10%	2.7	3.7	$11	$13	$12	$14	$17	$15	1%	$530
23	58558	Hysteroscopy biopsy	$4	-2.25%	13%	17%	15%	1.1	1.5	$7	$9	$8	$10	$13	$12	1%	$696
24	65426	Removal of eye lesion	$3	-0.03%	59%	73%	66%	0.2	0.2	$5	$6	$6	$8	$10	$9	1%	$736
25	64626	Destr paravertebrl nerve c/t	$3	-7.96%	38%	48%	43%	0.8	1.2	$4	$5	$5	$8	$10	$9	1%	$229
26	14041	Skin tissue rearrangement	$3	-2.49%	13%	16%	15%	1.8	1.4	$5	$6	$6	$7	$9	$8	1%	$519
27	43251	Operative upper GI endoscopy	$2	-0.85%	35%	44%	39%	0.6	0.9	$4	$5	$4	$6	$8	$7	1%	$268
28	64627	Destr paravertebral n add-on	$2	-0.43%	39%	48%	43%	1.9	2.6	$3	$3	$3	$6	$8	$7	1%	$80
29	44361	Small bowel endoscopy/biopsy	$2	-1.36%	53%	66%	60%	0.3	0.5	$4	$5	$4	$6	$7	$6	1%	$307
30	62264	Epidural lysis on single day	$2	-17.63%	29%	36%	32%	0.4	0.5	$2	$2	$2	$5	$6	$5	1%	$386

No.	HCPCS	HCPCS Description	Savings 2011 ($million)	Average Annual ASC Share Change 2008-2011	Baseline 2011 ASC Share of Procedures	Projected ASC Share for 2022 (2 increase per year)	Projected ASC Share for 2022 (share increase varies)	2011 Volume of Procedures per 1,000 Medicare Beneficiaries	Projected Volume of Procedures for 2022 (per 1,000 Medicare Beneficiaries)	Volume per 1,000 Medicare Beneficiaries Remains Constant			Volume per 1,000 Medicare Beneficiaries Increases By 3% per Year			ASC Annual Share Growth Assumption for A3 & B3	Reimbursement Difference Between ASCs and HOPDs 2011
										A1. Baseline Savings for 2022 (ASC share remains constant) ($million)	A2. Savings for 2022 (ASC share increases 2 per year) ($million)	A3. Savings for 2022 (ASC share increases varies) ($million)	B1 Baseline Savings for 2022 (ASC share remains constant) ($million)	B2. Savings for 2022 (ASC share increases 2 per year) ($million)	B3 Savings for 2022 (ASC share increases varies) ($million)		
31	13132	Repair of wound or lesion	$2	-4.69%	6%	7%	6%	5.3	7.4	$2	$3	$3	$5	$6	$5	1%	$148
32	62319	Inject spine w/cath l/s (cd)	$2	-18.47%	30%	38%	34%	0.4	0.5	$2	$2	$2	$4	$6	$5	1%	$386
33	64528	N block lumbar/thoracic	$1	-13.74%	23%	29%	26%	0.6	8.8	$1	$2	$2	$3	$4	$4	1%	$229
34	64458	N block other peripheral	$1	-1.62%	1%	2%	1%	18.2	14.1	$1	$1	$1	$3	$4	$3	1%	$226
35	11042	Deb subq tissue 20 sq cm/<	$1	-14.48%	1%	1%	1%	28.9	40.8	$1	$2	$2	$2	$3	$2	1%	$82
36	20552	Inj trigger point 1/2 musd	$1	-7.74%	1%	2%	1%	8.3	11.5	$1	$1	$1	$2	$2	$2	1%	$163
37	43239	Upper gi endoscopy biopsy	$143	8.58%	45%	55%	76%	32.8	45.5	$243	$303	$416	$409	$509	$700	5%	$268
38	45380	Colonoscopy and biopsy	$187	1.11%	48%	59%	82%	21.8	30.2	$197	$245	$336	$306	$380	$523	5%	$281
39	45385	Lesion removal colonoscopy	$82	2.10%	46%	58%	79%	17.2	23.9	$162	$202	$278	$236	$293	$403	5%	$281
40	45378	Diagnostic colonoscopy	$66	0.27%	40%	49%	68%	16.2	22.4	$157	$195	$268	$190	$236	$324	5%	$281
41	29826	Shoulder arthroscopy/surgery	$38	1.27%	33%	40%	56%	2.2	3.1	$53	$66	$91	$110	$137	$188	5%	$1,460
42	G0105	Colorectal scrn; hi risk ind	$30	2.48%	52%	64%	88%	6.3	8.7	$54	$68	$93	$85	$105	$145	5%	$249
43	64721	Carpal tunnel surgery	$25	1.01%	40%	50%	68%	3.0	4.2	$50	$62	$85	$72	$90	$124	5%	$577
44	64623	Destr paravertebral n add-on	$24	4.03%	36%	44%	61%	8.1	11.2	$31	$39	$53	$69	$86	$118	5%	$229
45	G0121	Colon ca scrn not hi risk ind	$24	2.22%	45%	56%	77%	5.8	8.0	$42	$52	$72	$68	$84	$115	5%	$249
46	29827	Arthroscop rotator cuff repr	$23	3.71%	32%	39%	54%	1.4	1.9	$44	$55	$75	$66	$82	$112	5%	$1,460
47	29880	Knee arthroscopy/surgery	$21	1.64%	41%	51%	71%	1.5	2.1	$44	$55	$76	$59	$73	$100	5%	$903
48	45384	Lesion remove colonoscopy	$19	0.93%	42%	52%	71%	4.5	6.3	$40	$49	$68	$56	$69	$95	5%	$281
49	67904	Repair eyelid defect	$17	3.55%	63%	79%	90%	1.2	1.7	$32	$40	$46	$48	$60	$69	5%	$603
50	64484	Inj foramen epidural add-on	$16	3.71%	34%	42%	58%	11.2	15.6	$23	$29	$40	$46	$58	$79	5%	$117
51	26055	Incise finger tendon sheath	$16	1.20%	44%	55%	76%	1.9	2.7	$28	$35	$49	$46	$58	$79	5%	$517
52	43248	Uppr gi endoscopy/guide wire	$14	0.86%	53%	67%	90%	2.6	3.6	$25	$31	$42	$39	$49	$66	5%	$268
53	29824	Shoulder arthroscopy/surgery	$11	0.45%	33%	42%	57%	1.0	1.4	$15	$19	$26	$32	$40	$55	5%	$903
54	49505	Prp i/hern init reduc >5 yr	$11	2.77%	15%	19%	26%	1.9	2.7	$23	$28	$39	$30	$38	$52	5%	$997
55	67917	Repair eyelid defect	$10	3.72%	60%	74%	90%	0.8	1.0	$18	$23	$27	$28	$35	$43	5%	$603
56	23412	Repair rotator cuff chronic	$10	3.46%	33%	41%	56%	0.6	0.8	$20	$25	$34	$27	$34	$47	5%	$1,426
57	14060	Skin tissue rearrangement	$9	0.50%	18%	22%	30%	2.6	3.6	$18	$22	$38	$25	$31	$43	5%	$519
58	55700	Biopsy of prostate	$8	2.92%	12%	14%	20%	5.1	7.8	$17	$21	$29	$24	$30	$42	5%	$393
59	66180	Implant eye shunt	$8	3.44%	52%	65%	89%	8.3	0.4	$16	$20	$27	$22	$27	$38	5%	$1,383
60	43450	Dilate esophagus	$8	1.82%	54%	67%	90%	1.9	2.7	$8	$11	$14	$22	$27	$36	5%	$198

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										A1. Baseline: Savings for 2022 (ASC share remains constant) ($million)	A2. Savings for 2022 (ASC share increases 2% per year) ($million)	A3. Savings for 2022 (ASC share increase varies) ($million)	B1. Baseline: Savings for 2022 (ASC share remains constant) ($million)	B2. Savings for 2022 (ASC share increases 2% per year) ($million)	B3. Savings for 2022 (ASC share increase varies) ($million)		
61	25447	Repair wrist joint(s)	$7	1.12%	47%	58%	80%	0.4	0.5	$14	$17	$23	$21	$26	$36	5%	$1,184
62	43249	Esoph endoscopy dilation	$7	1.08%	30%	38%	52%	2.2	3.1	$12	$15	$20	$19	$24	$33	5%	$268
63	66170	Glaucoma surgery	$6	4.40%	61%	76%	90%	0.4	0.5	$13	$16	$19	$18	$23	$27	5%	$736
64	29822	Shoulder arthroscopy/surgery	$6	2.28%	36%	45%	61%	0.5	0.7	$10	$13	$17	$18	$23	$31	5%	$903
65	14040	Skin tissue rearrangement	$6	1.83%	16%	20%	27%	2.1	2.9	$13	$16	$22	$18	$23	$31	5%	$519
66	28270	Release of foot contracture	$5	3.02%	28%	35%	48%	0.8	1.1	$9	$12	$16	$15	$19	$26	5%	$681
67	15260	Skin full graft een & lips	$5	4.70%	18%	22%	31%	1.5	2.0	$10	$12	$17	$14	$18	$25	5%	$519
68	45383	Lesion removal colonoscopy	$5	1.36%	36%	45%	62%	1.3	1.8	$10	$13	$18	$14	$17	$24	5%	$281
69	66711	Ciliary endoscopic ablation	$5	1.70%	79%	90%	90%	0.3	0.4	$7	$8	$8	$14	$16	$16	5%	$539
70	67924	Repair eyelid defect	$5	3.72%	61%	76%	90%	0.3	0.5	$9	$11	$13	$13	$17	$20	5%	$603
71	52353	Cystouretero w/lithotripsy	$4	4.90%	13%	16%	21%	0.8	1.2	$8	$10	$14	$12	$15	$21	5%	$1,126
72	67028	Injection eye drug	$4	3.19%	1%	1%	2%	54.4	75.4	$6	$8	$11	$11	$14	$19	5%	$169
73	52234	Cystoscopy and treatment	$4	1.27%	19%	24%	33%	0.7	0.9	$7	$9	$13	$11	$13	$18	5%	$794
74	64718	Revise ulnar nerve at elbow	$4	3.70%	36%	45%	62%	0.5	0.7	$6	$8	$11	$11	$13	$18	5%	$577
75	28308	Incision of metatarsal	$3	1.92%	38%	48%	65%	0.4	0.5	$5	$7	$9	$10	$12	$17	5%	$681
76	26123	Release palm contracture	$3	1.37%	47%	58%	80%	0.2	0.3	$8	$10	$13	$10	$12	$17	5%	$897
77	26160	Remove tendon sheath lesion	$3	0.77%	44%	55%	75%	0.4	0.6	$6	$8	$11	$10	$12	$17	5%	$517
78	67950	Revision of eyelid	$3	2.29%	64%	80%	90%	0.2	0.3	$5	$7	$7	$9	$12	$13	5%	$603
79	52224	Cystoscopy and treatment	$3	4.95%	8%	11%	14%	1.3	1.9	$7	$9	$12	$9	$12	$16	5%	$794
80	52318	Cystoscopy and treatment	$3	0.06%	9%	11%	16%	1.8	2.5	$6	$8	$10	$9	$11	$15	5%	$530
81	67961	Revision of eyelid	$3	1.27%	55%	69%	90%	0.2	0.3	$5	$6	$9	$9	$11	$14	5%	$603
82	52235	Cystoscopy and treatment	$3	2.23%	14%	18%	24%	0.7	1.8	$6	$7	$10	$9	$11	$15	5%	$794
83	66986	Exchange lens prosthesis	$3	0.17%	63%	78%	90%	0.2	0.2	$5	$6	$7	$8	$10	$12	5%	$740
84	64479	Inj foramen epidural c/t	$3	0.16%	31%	38%	53%	1.1	1.5	$5	$6	$9	$8	$10	$14	5%	$229
85	66250	Follow-up surgery of eye	$2	1.83%	37%	46%	64%	0.3	0.4	$4	$5	$7	$6	$7	$10	5%	$539
86	14061	Skin tissue rearrangement	$2	1.01%	16%	19%	27%	0.7	0.9	$4	$5	$7	$6	$7	$10	5%	$519
87	17311	Mohs 1 stage h/n/hf/g	$1	3.76%	1%	2%	2%	14.8	20.5	$2	$2	$3	$3	$4	$5	5%	$162
88	13121	Repair of wound or lesion	$1	0.48%	6%	7%	10%	2.8	3.8	$1	$1	$1	$2	$2	$3	5%	$95
89	15823	Revision of upper eyelid	$41	6.61%	68%	85%	90%	2.4	3.4	$84	$105	$111	$117	$146	$155	10%	$671
90	50590	Fragmenting of kidney stone	$13	10.88%	18%	23%	52%	1.5	2.1	$25	$31	$72	$36	$45	$103	10%	$1,265

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										A1. Baseline Savings for 2022 (ASC share remains constant) ($million)	A2. Savings for 2022 (ASC share increases 2 per year) ($million)	A3. Savings for 2022 (ASC share increase varies) ($million)	B1. Baseline Savings for 2022 (ASC share remains constant) ($million)	B2. Savings for 2022 (ASC share increases 2 per year) ($million)	B3. Savings for 2022 (ASC share increase varies) ($million)		
91	67042	Vit for macular hole	$13	7.78%	42%	53%	90%	0.7	0.9	$26	$32	$55	$36	$45	$77	10%	$1,234
92	52332	Cystoscopy and treatment	$10	5.10%	13%	16%	36%	2.6	3.6	$15	$18	$42	$27	$34	$78	10%	$794
93	67041	Vit for macular pucker	$9	7.36%	40%	50%	90%	0.5	0.6	$19	$24	$42	$24	$30	$54	10%	$1,234
94	65855	Laser surgery of eye	$8	10.98%	22%	28%	63%	4.0	5.6	$18	$23	$52	$24	$30	$68	10%	$257
95	67900	Repair brow defect	$8	7.23%	68%	85%	90%	0.4	0.6	$14	$18	$19	$24	$30	$32	10%	$801
96	31255	Removal of ethmoid sinus	$8	11.19%	39%	49%	90%	0.6	0.8	$17	$21	$38	$22	$28	$51	10%	$933
97	67036	Removal of inner eye fluid	$6	10.53%	38%	47%	90%	0.4	0.5	$13	$16	$31	$18	$23	$43	10%	$1,234
98	31267	Endoscopy maxillary sinus	$6	11.09%	37%	46%	90%	0.5	0.7	$11	$14	$26	$18	$22	$44	10%	$933
99	30140	Resect inferior turbinate	$6	16.88%	39%	48%	90%	0.5	0.7	$12	$15	$28	$16	$20	$37	10%	$773
100	67108	Repair detached retina	$6	11.99%	34%	43%	90%	0.4	0.5	$11	$14	$29	$16	$20	$42	10%	$1,234
101	47562	Laparoscopic cholecystectomy	$5	11.18%	6%	7%	16%	1.8	2.5	$11	$14	$32	$16	$19	$44	10%	$1,442
102	66761	Revision of iris	$5	5.24%	27%	34%	78%	2.2	3.1	$11	$13	$31	$15	$19	$43	10%	$237
103	67040	Laser treatment of retina	$5	8.70%	33%	41%	90%	0.3	0.4	$10	$12	$27	$13	$17	$36	10%	$1,234
104	52204	Cystoscopy w/biopsy(s)	$5	7.61%	19%	24%	55%	0.8	1.1	$9	$11	$25	$13	$16	$37	10%	$794
105	20610	Drain/inject joint/bursa	$4	18.62%	0.5%	1%	1%	153.1	212.0	$8	$10	$24	$12	$14	$33	10%	$149
106	31256	Exploration maxillary sinus	$4	8.96%	37%	46%	90%	0.3	0.4	$7	$9	$18	$12	$14	$28	10%	$933
107	31276	Sinus endoscopy surgical	$4	22.38%	33%	41%	90%	0.4	0.5	$10	$12	$27	$11	$14	$31	10%	$933
108	64640	Injection treatment of nerve	$4	75.05%	13%	16%	36%	1.8	2.4	$6	$8	$18	$10	$13	$29	10%	$437
109	67255	Reinforce/graft eye wall	$3	6.57%	50%	63%	90%	0.3	0.3	$4	$6	$8	$9	$12	$17	10%	$706
110	69436	Create eardrum opening	$3	11.68%	40%	50%	90%	0.3	0.5	$6	$8	$14	$7	$9	$17	10%	$522
111	45330	Diagnostic sigmoidoscopy	$2	15.64%	17%	21%	48%	1.3	1.7	$5	$6	$14	$7	$9	$20	10%	$324
112	68815	Probe nasolacrimal duct	$2	9.08%	51%	64%	90%	0.2	0.3	$4	$5	$6	$7	$9	$12	10%	$603
113	46221	Ligation of hemorrhoid(s)	$2	59.92%	11%	14%	33%	1.7	2.4	$4	$5	$11	$6	$8	$18	10%	$296
114	67840	Remove eyelid lesion	$2	15.10%	8%	10%	24%	1.4	2.8	$4	$4	$10	$5	$6	$15	10%	$422
115	45331	Sigmoidoscopy and biopsy	$1	5.08%	34%	43%	90%	0.7	0.9	$3	$3	$7	$4	$5	$11	10%	$175
116	67210	Treatment of retinal lesion	$1	10.61%	7%	9%	21%	2.9	4.0	$3	$4	$9	$4	$5	$11	10%	$169
117	67228	Treatment of retinal lesion	$1	11.58%	7%	9%	20%	2.3	3.2	$2	$3	$6	$3	$4	$8	10%	$169
118	11642	Exc face-mm malig+marg 1.1-2	$1	7.98%	3%	4%	10%	3.5	4.9	$2	$2	$4	$3	$4	$8	10%	$226
119	64480	Inj foramen epidural add-on	$1	17.51%	29%	36%	83%	0.8	1.0	$2	$2	$5	$3	$3	$8	10%	$117
120	51700	Irrigation of bladder	$0.5	29.91%	3%	4%	10%	4.8	5.5	$1	$1	$3	$1	$2	$4	10%	$99
		Total or Mean**	$2,307	3.46%	32%	40%	52%	5.62	7.78	$4,203	$5,231	$6,013	$6,604	$8,212	$9,383	N/A	$589

NOTES:

*Increases volume per 1,000 Medicare beneficiaries by 3% annually.

**The reported totals are for savings. The remaining columns are simple means across the 120 procedures, for which the mean is not influenced by (or weighted for) high-volume procedures, such as cataracts. Savings are reported in nominal dollars. N/A: not applicable.

Medicare Cost Savings Tied to Ambulatory Surgery Centers

ASCA
Ambulatory Surgery Center Association

Produced with cost savings analysis from

Berkeley
UNIVERSITY OF CALIFORNIA

ASCA Ambulatory Surgery Center Association

Ambulatory Surgery Centers

A Positive Trend in Health Care

Ambulatory surgery centers (ASCs) are health care facilities that offer patients the convenience of having surgeries and procedures performed safely outside the hospital setting. Since their inception more than four decades ago, ASCs have demonstrated an exceptional ability to improve quality and customer service while simultaneously reducing costs. At a time when most developments in health care services and technology typically come with a higher price tag, ASCs stand out as an exception to the rule.

A TRANSFORMATIVE MODEL FOR SURGICAL SERVICES

As our nation struggles with how to improve a troubled and costly health care system, the experience of ASCs is a great example of a successful transformation in health care delivery.

Forty years ago, virtually all surgery was performed in hospitals. Waits of weeks or months for an appointment were not uncommon, and patients typically spent several days in the hospital and several weeks out of work in recovery. In many countries, surgery is still performed this way, but not in the US.

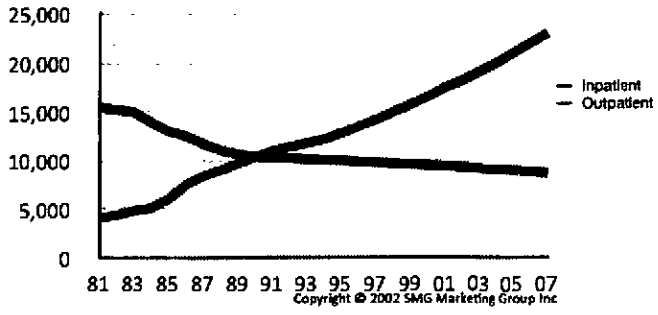
Physicians have taken the lead in the development of ASCs. The first facility was opened in Phoenix, Arizona, in 1970 by two physicians who saw an opportunity to establish a high-quality, cost-effective alternative to inpatient hospital care for surgical services. Faced with frustrations like scheduling delays, limited operating room availability, slow operating room turnover times, and challenges in obtaining new equipment due to hospital budgets and policies, physicians were looking for a better way—and developed it in ASCs.

Today, physicians continue to provide the impetus for the development of new ASCs. By operating in ASCs instead of hospitals, physicians gain increased control over their surgical practices.[1] In the ASC setting, physicians are able to schedule procedures more conveniently, assemble teams of specially trained and highly skilled staff, ensure that the equipment and supplies being used are best suited to their techniques, and design facilities tailored to their specialties and to the specific needs of their patients. Simply stated, physicians are striving for, and have found in ASCs, professional autonomy over their work environment and over the quality of care that has not been available to them in hospitals. These benefits explain why physicians who do not have ownership interest in an ASC (and therefore do not benefit financially from performing procedures in an ASC) choose to work in ASCs in such high numbers.

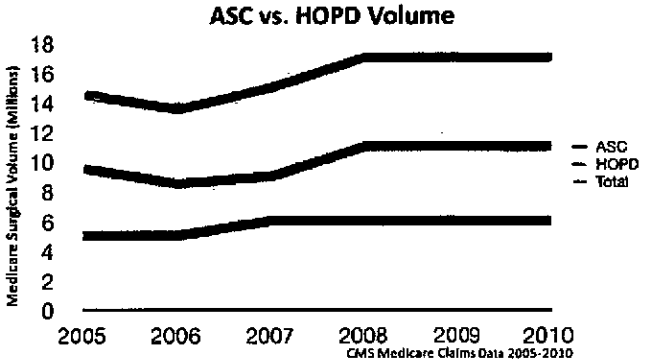
Given the history of their involvement in making ASCs a reality, it is not surprising that physicians continue to have at least some ownership in virtually all (90%) ASCs. But what is more interesting to note is how many ASCs are jointly owned by local hospitals that now increasingly recognize and embrace the value of the ASC model. According to the most recent data available, hospitals have ownership interest in 21% of all ASCs and 3% are owned entirely by hospitals.[2]

ASCs also add considerable value to the US economy, with a 2009 total nationwide economic impact of $90 billion, including more than $5.8 billion in tax payments. Additionally, ASCs employ the equivalent of approximately 117,700 full-time workers.[3]

Surgical Trends by Volume



ASC vs. HOPD Volume



ASCs PROVIDE CARE AT SIGNIFICANT COST SAVINGS

Not only are ASCs focused on ensuring that patients have the best surgical experience possible, they also provide cost-effective care that save the government, third party payors and patients money. On average, the Medicare program and its beneficiaries share in more than $2.6 billion in savings each year because the program pays significantly less for procedures performed in ASCs when compared to the rates paid to hospitals for the same procedures. Accordingly, patient co-pays are also significantly lower when care is received in an ASC.

If just half of the eligible surgical procedures moved from hospital outpatient departments to ASCs, Medicare would save an additional $2.4 billion a year or $24 billion over the next 10 years. Likewise, Medicaid and other insurers benefit from lower prices for services performed in the ASC setting.

Currently, Medicare pays ASCs 58% of the amount paid to hospital outpatient departments for performing the same services For example, Medicare pays hospitals $1,670 for performing an outpatient cataract surgery while paying ASCs only $964 for performing the same surgery.

This huge payment disparity is a fairly recent phenomenon. In 2003, Medicare paid hospitals only 16% more, on average, than it paid ASCs. Today, Medicare pays hospitals 72% more than ASCs for outpatient surgery. There is no health or fiscal policy basis for providing ASCs with drastically lower payments than hospital outpatient departments.

In addition, patients typically pay less coinsurance for procedures performed in the ASC than for comparable procedures in the hospital setting. For example, a Medicare beneficiary could pay as much as $496 in coinsurance for a cataract extraction procedure performed in a hospital outpatient department, whereas that same beneficiary's copayment in the ASC would be only $195.

Without the emergence of ASCs as an option for care, health care expenditures would have been tens of billions of dollars higher over the past four decades. Private insurance companies tend to save similarly, which means employers also incur lower health care costs when employees utilize ASC services. For this reason, both employers and insurers have recently been exploring ways to incentivize the movement of patients and procedures to the ASC setting.

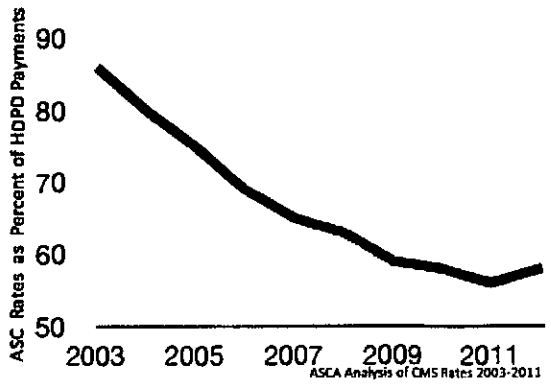
The long-term growth in the number of patients treated in ASCs, and resulting cost savings, is threatened by the widening disparity in reimbursement that ASCs and hospitals receive for the same procedures. In fact, the growing payment differential is creating a market dynamic whereby ASCs are being purchased by hospitals and converted into hospital outpatient departments. Even if an ASC is not physically located next to a hospital, once it is part of a hospital, it can terminate its ASC license and become a unit of the hospital, entitling the hospital to bill for Medicare services provided in the former ASC at the 72% higher hospital outpatient rates.

Cost Comparison:
ASC v. Hospital Outpatient Department

	Patient Cost		Medicare Cost	
	ASC Co-pay	HOPD Co-pay	Total Procedure Cost ASC	Total Procedure Cost HOPD
Cataract	$193	$490	$964	$1,670
Upper GI Endoscopy	$68	$139	$341	$591
Colonoscopy	$76	$186	$378	$655

ASCA Analysis of CMS Rates Effective 1 Jan. 2012

The Gap Between ASC and HOPD
Payments Has Widened Significantly

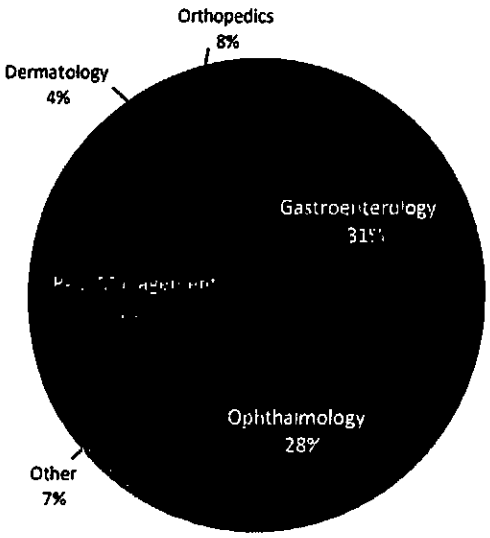


ASCA Analysis of CMS Rates 2003-2011

THE ASC INDUSTRY SUPPORTS DISCLOSURE OF PRICING INFORMATION

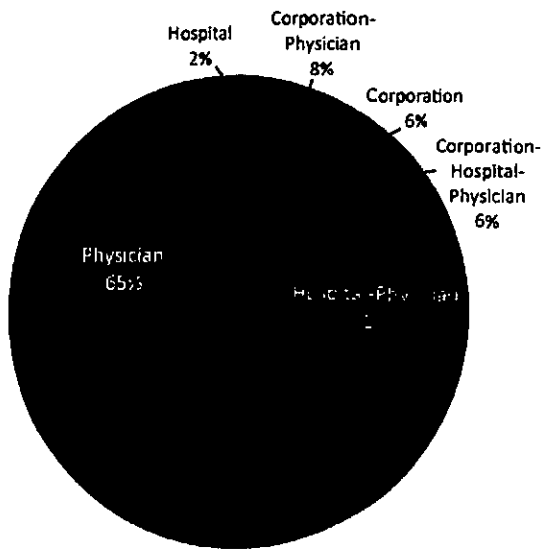
Typically, ASCs make pricing information available to their patients in advance of surgery. The industry is eager to make price transparency a reality, not only for Medicare beneficiaries, but for all patients. To offer maximum benefit to the consumer, these disclosures should outline the total price of the planned surgical procedure and the specific portion for which the patient would be responsible. This will empower health care consumers as they evaluate and compare costs for the same service amongst various health care providers.

Medicare Case Volume by Specialty



ASCA Analysis of CMS Claims Data 2010

ASC Ownership



ASCA's 2011 ASC Employee Salary & Benefits Survey

ASCs = Efficient Quality Care + Convenience + Patient Satisfaction

The ASC health care delivery model enhances patient care by allowing physicians to:

- Focus exclusively on a small number of processes in a single setting, rather than having to rely on a hospital setting that has large-scale demands for space, resources and the attention of management
- Intensify quality control processes since ASCs are focused on a smaller space and a small number of operating rooms, and
- Allow patients to bring concerns directly to the physician operator who has direct knowledge about each patient's case rather than deal with hospital administrators who almost never have detailed knowledge about individual patients or their experiences

Physician ownership also helps reduce frustrating wait-times for patients and allows for maximum specialization and patient–doctor interaction. Unlike large-scale institutions, ASCs

- Provide responsive, non-bureaucratic environments tailored to each individual patient's needs
- Exercise better control over scheduling, so virtually no procedures are delayed or rescheduled due to the kinds of institutional demands that often occur in hospitals (unforeseen emergency room demands)
- Allow physicians to personally guide innovative strategies for governance, leadership and most importantly, quality initiatives

As a result, patients say they have a 92% satisfaction rate with both the care and service they receive from ASCs .[4] Safe and high quality service, ease of scheduling, greater personal attention and lower costs are among the main reasons cited for the growing popularity of ASCs.

ASCs ARE HIGHLY REGULATED TO ENSURE QUALITY AND SAFETY

ASCs are highly regulated by federal and state entities. The safety and quality of care offered in ASCs is evaluated by independent observers through three processes: state licensure, Medicare certification and voluntary accreditation.

Forty three states and the District of Columbia, currently require ASCs to be licensed in order to operate. The remaining seven states have some form of regulatory requirements for ASCs such as Medicare certification or accreditation by an independent accrediting organization. Each state determines the specific requirements ASCs must meet for licensure and most require rigorous initial and ongoing inspection and reporting.

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All ASCs serving Medicare beneficiaries must be certified by the Medicare program. In order to be certified, an ASC must comply with standards developed by the federal government for the specific purpose of ensuring the safety of the patient and the quality of the facility, physicians, staff, services and management of the ASC.The ASC must demonstrate compliance with these Medicare standards initially and on an ongoing basis.

In addition to state and federal inspections, many ASCs choose to go through voluntary accreditation by an independent accrediting organization. Accrediting organizations for ASCs include The Joint Commission, the Accreditation Association for Ambulatory Health Care (AAAHC), the American Association for the Accreditation of Ambulatory Surgery Facilities (AAAASF) and the American Osteopathic Association (AOA). ASCs must meet specific standards during on-site inspections by these organizations in order to be accredited. All accrediting organizations also require an ASC to engage in external benchmarking, which allows the facility to compare its performance to the performance of other ASCs.

In addition to requiring certification in order to participate in the Medicare program, federal regulations also limit the scope of surgical procedures reimbursed in ASCs. Even though ASCs and hospital outpatient departments are clinically identical, the Center for Medicare & Medicaid Services (CMS) applies different standards to the two settings.

ASCs: A COMMITMENT TO QUALITY

Quality care has been a hallmark of the ASC health care delivery model since its earliest days. One example of the ASC community's commitment to quality care is the ASC Quality Collaboration, an independent initiative that was established voluntarily by the ASC community to promote quality and safety in ASCs.

The ASC Quality Collaboration is committed to developing meaningful quality measures for the ASC setting. Six of those measures have already been endorsed by the National Quality Forum (NQF). The NQF is a non-profit organization dedicated to improving the quality of health care in America, and the entity the Medicare program consults when seeking appropriate measurements of quality care. More than 20% of all ASCs are already voluntarily reporting the results of the ASC quality measures that NQF has endorsed.

Since 2006, the ASC industry has urged the CMS to establish a uniform quality reporting system to allow all ASCs to publicly demonstrate their performance on quality measures. Starting on October 1, 2012, a new quality reporting system for ASCs will begin and will encompass five of the measures that ASCs are currently reporting voluntarily.

Reporting Measures

Measure	Data Collection Begins
~~Patient Burn~~	~~Oct 1, 2012~~
Patient Fall	Oct 1, 2012
Wrong Site, Side, Patient, Procedure	Oct 1, 2012
Hospital Admission	Oct 1, 2012
Prophylactic IV Antibiotic Timing	Oct 1, 2012
Safe Surgery Check List Use	Jan 1, 2012
Volume of Certain Procedures	Jan 1, 2012
Influenza Vaccination Coverage for Health Care Workers	Jan 1, 2013

76 Federal Regulation 74492 - 74517

Specific Federal Requirements Governing ASCs

In order to participate in the Medicare program, ASCs are required to meet certain conditions set by the federal government to ensure that the facility is operated in a manner that assures the safety of patients and the quality of services.

ASCs are required to maintain complete, comprehensive and accurate medical records. The content of these records must include a medical history and physical examination relevant to the reason for the surgery and the type of anesthesia planned. In addition, a physician must examine the patient immediately before surgery to evaluate the risk of anesthesia and the procedure to be performed. Prior to discharge each patient must be evaluated by a physician for proper anesthesia recovery.

CMS requires ASCs to take steps to ensure that patients do not acquire infections during their care at these facilities. ASCs must establish a program for identifying and preventing infections, maintaining a sanitary environment and reporting outcomes to appropriate authorities. The program must be one of active surveillance and include specific procedures for prevention, early detection, control and investigation of infectious and communicable diseases in accordance with the recommendations of the Centers for Disease Control and Prevention. Thanks to these ongoing efforts, ASCs have very low infection rates.[5]

A registered nurse trained in the use of emergency equipment and in cardiopulmonary resuscitation must be available whenever a patient is in the ASC. To further protect patient safety, ASCs are also required to have an effective means of transferring patients to a hospital for additional care in the event of an emergency. Written guidelines outlining arrangements for ambulance services and transfer of medical information are mandatory. An ASC must have a written transfer agreement with a local hospital, or all physicians performing surgery in the ASC must have admitting privileges at the designated hospital. Although these safeguards are in place, hospital admissions as a result of complications following ambulatory surgery are rare.[5]

Continuous quality improvement is an important means of ensuring that patients are receiving the best care possible. An ASC, with the active participation of its medical staff, is required to conduct an ongoing, comprehensive assessment of the quality of care provided.

The excellent outcomes associated with ambulatory surgery reflect the commitment that the ASC industry has made to quality and safety. One of the many reasons that ASCs continue to be so successful with patients, physicians and insurers is their keen focus on ensuring the quality of the services provided.

Medicare Health and Safety Requirements

Required Standards	ASCs	HOPDs
Compliance with State licensure law	☑	☑
Governing body and management	☑	☑
Surgical services	☑	☑
Quality assessment and performance improvement	☑	☑
Environment	☑	☑
Medical staff	☑	☑
Nursing services	☑	☑
Medical records	☑	☑
Pharmaceutical services	☑	☑
Laboratory and radiologic services	☑	☑
Patient rights	☑	☑
Infection control	☑	☑
Patient admission, assessment and discharge	☑	☑

Source: 42 CFR 416 & 482

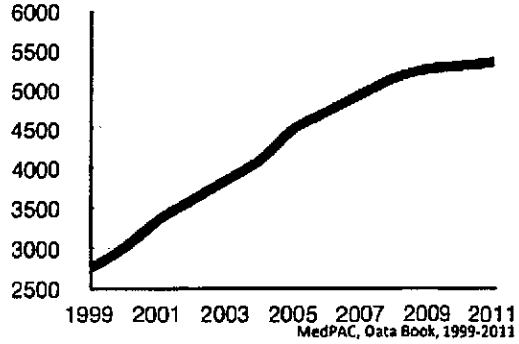
CONTINUED DEMAND FOR ASC FACILITIES

Technological advancement has allowed a growing range of procedures to be performed safely on an outpatient basis (unfortunately, however, Medicare has been slow to recognize these advances and assure that its beneficiaries have access to them). Faster acting and more effective anesthetics and less invasive techniques, such as arthroscopy, have driven this outpatient migration. Procedures that only a few years ago required major incisions, long-acting anesthetics and extended convalescence can now be performed through closed techniques utilizing short-acting anesthetics, and with minimal recovery time. As medical innovation continues to advance, more and more procedures will be able to be performed safely in the outpatient setting.

Over the years, the number of ASCs has grown in response to demand from the key participants in surgical care—patients, physicians and insurers. While this demand has been made possible by technology, it has been driven by patient satisfaction, efficient physician practice, high levels of quality and the cost savings that have benefited all.

However, in a troubling trend, the growth of ASCs has slowed in recent years. If the supply of ASCs does not keep pace with the demand for outpatient surgery that patients require, that care will be provided in the less convenient and more costly hospital outpatient department.[11]

Number of Medicare Certified ASCs



MedPAC, Data Book, 1999-2011

ASCs CONTINUE TO LEAD INNOVATION IN OUTPATIENT SURGICAL CARE

As a leader in the evolution of surgical care that has led to the establishment of affordable and safe outpatient surgery, the ASC industry has shown itself to be ahead of the curve in identifying promising avenues for improving the delivery of health care.

With a solid track record of performance in patient satisfaction, safety, quality and cost management, the ASC industry is already embracing the changes that will allow it to continue to play a leading role in raising the standards of performance in the delivery of outpatient surgical services.

As always, the ASC industry welcomes any opportunity to clarify the services it offers, the regulations and standards governing its operations, and the ways in which it ensures safe, high-quality care for patients.

POLICY CONSIDERATIONS

Given the continued fiscal challenges posed by administering health care programs, policy makers and regulators should continue to focus on fostering innovative methods of health care delivery that offer safe, high-quality care so progressive changes in the nation's health care system can be implemented.

Support should be reserved for those policies that foster competition and promote the utilization of sites of service providing more affordable care, while always maintaining high quality and stringent safety standards. In light of the many benefits ASCs have brought to the nation's health care system, policymakers should develop and implement payment and coverage policies that increase access to, and utilization of, ASCs.

END NOTES

1 "Ambulatory Surgery Centers." Encyclopedia of Surgery. Ed. Anthony J. Senagore. Thomson Gale, 2004.

2 2004 ASC Salary and Benefits Survey, Federated Ambulatory Surgery Association, 2004.

3 Oxford Outcomes ASC Impact Analysis, 2010.

4 Press-Ganey Associates, "Outpatient Pulse Report," 2008.

5 ASCA Outcomes Monitoring Project, 3rd Quarter 2011.

Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(c) – Purpose of the Project, Safety Net Impact Statement and Alternatives

Alternatives

The proposed project will provide Palos Hills Surgery Center with increased operational capacity within the existing ASTC. The Illinois Health Facilities and Services Review Board approved the ASTC as it exists and operates today pursuant to CON permit 11-095, and this project furthers the same purposes approved by the Board in Project 11-095. Namely, the additional rooms will allow PHSC to continue its objectives of offering its service area residents and patients specialized, quality, efficient and cost effective outpatient surgery.

Three alternatives were evaluated and were rejected by the applicants.

1. **Maintain *Status Quo***

The first alternative considered was to maintain the status quo by not expanding the facility to include any additional operating rooms. This alternative was dismissed because it would not address the main purposes of the project to increase capacity in line with demand and equip the facility for joint replacement and orthopedic spine surgeries. The inability to maintain sufficient capacity and capabilities at the facility deprives patients and the community of access to the high quality, lower cost, convenient, and specialized care offered at the Palos Hills Surgery Center.

There is no direct cost for the applicant associated with maintaining the status quo.

This alternative was rejected because maintaining the status quo does not address the identified issues upon which the project is based.

2. **Utilize Local Hospitals and Facilities**

The applicant also considered performing operations in local hospital and/or ASTCs with capacity. This is also not an option. The PHSC surgeons are looking to increase utilization of the ASTC setting for their surgical volumes, not funnel more patients into the hospital setting. As related in Attachment 12, research has shown that ASTCs are more convenient locations, with shorter waiting times, and easier scheduling relative to an ASTC setting. PHSC allows its surgeons to maintain more control over their work environment, customize surgical environments, and train its staff for their highly specialized services. This increases patient satisfaction and has a positive correlation with patient outcomes.

Exposing patients to the hospital setting increases the risk of infection. This risk is reduced at PHSC, where patients can receive immediate surgical attention in a more controlled environment. Additionally, PHSC seeks to provide its specialized care at a lower cost to patients than is available in the Hospital setting. Providing services at other local, multi-specialty ASTCs will not provide the specialized, central care these patients need. PHSC optimizes control of costs and the maintenance of quality for specialized patient care from initial evaluation to rehabilitation. Further, most other area ASTCs are not equipped to provide the joint replacement and minimally invasive spine surgeries the applicants intend to address as part of the expansion.

There is no direct cost for the applicant associated with providing surgeries within other area facilities.

The applicant rejected this alternative because it directs patients to the hospital setting, utilizing other ASTCs remove patients from the advantages offered within the specialized setting of PHSC, and area ASTCs are not equipped to provide the additional orthopedic surgeries contemplated by the applicant. .

3. Reducing the Scope and Size of Current Project

The last alternative considered was to reduce the size and the scope of the project. The applicant is currently seeking approval to add two additional operating rooms and accompanying recovery rooms to the ASTC. The applicant investigated and considered the alternative option of only adding one operating room, but it was ultimately dismissed. The current plan for two operating rooms and seven additional recovery rooms is necessary to address the service demand for the facility.

As addressed within Attachments, 12, 15 and 25 of this application, the projected surgical volumes for surgeons at PHSC will be in excess of the state standards for four (4) operating rooms. The applicants demonstrate that the facility will operate above state utilization standards within the first two years of completion of the project.

Adding a single operating room will not address the full scope of growth expected at PHSC. Further, the expansion to one operating room would create scheduling difficulties for joint replacement and spinal surgeries, for which only the single new operating room would be equipped to handle. Limiting the expansion to one operating room is also anticipated to cause an increase in total costs per operating room. This is due to inefficiencies in design and construction for building out a single operating room versus two operating rooms.

By expanding the facility to two operating rooms, the facility will be equipped to handle the new procedures and meet the existing and projected demand.

Due to the above conclusions, the applicants did not determine the exact cost of a build-out of just one operating room. The cost would likely have fallen below the current project costs. Although the reduction in rooms would have reduced the price of the immediate expansion and modernization project, it does not outweigh the benefit of adding two (2) operating rooms.

The alternative plan of only adding one operating room was therefore rejected by the applicants.

4. Expand & Modernize Palos Hills Surgery Center

The applicants chose to expand and modernize PHSC to include two additional Operating Rooms and support areas to meet its current and future patient demand. This was the only alternative that addresses all of the purposes for the project. Expanding the ASTC enables the applicants to:

- Meet the Community Need for Hand and Upper Extremity Surgery
- Meet the Community Need for Joint Replacement and Orthopedic Spine Surgery
- Transition Surgeries from the Hospital to ASTC Setting to Reduce Costs
- Ensure Access for Emergent Orthopedic Injury Surgery at PHSC
- Incorporate Pediatric Orthopedic Surgeon Dr. Prasad Gourenini's Surgical Patients

The cost of this alternative is **$5,117,973.48.**

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The expansion proposed by Palos Hills Surgery Center will incorporate 5,519 additional sq. ft. to the existing 5,465 square foot ASTC. The entire 5,519 sq. ft. is necessary and will be directly used for the treatment of patients. The construction plans also include necessary modernization to 810 sq. ft. to adjust for the facility's expansion.

The state standard for new construction is 2075-2750 BGSF per Treatment Room.[3] With ASTC designated space totaling 10,984 sq. ft., there will be 2,746 sq. ft. per operating room at the facility, which is with the applicable state standards, as identified in the table below.

Once complete, the ASTC will have twelve (12) recovery rooms for four (4) total operating rooms, within the state standard of four (4) recovery rooms per operating/procedure room.

Size of Project – Expansion				
Service	Proposed BGSF	State Standard	Difference	Met Standard?
ASTC Expansion	10,984 BGSF (4 ORs)	2075-2750 BGSF/Treatment Room	-16 sq. ft.	Yes

[3] See Section 1110 Appendix B.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

This project includes a specific clinical service area: ASTC operating room, which has established standards found in Section 1110, Appendix B.

By the second year after project completion, the ASTC's annual utilization shall meet or exceed HFSRB's utilization standards. Based upon projected procedures documented within the physician referral letters included herein as Appendix-1, 6,515 procedures will be performed at the ASTC within the first year years after project completion. As identified below, the projected procedures were multiplied by the historical time per procedure for each physician to obtain the projected utilization for the four (4) operating rooms.

Physician	Historical 12 Month of Surgeries	Referrals for 12 months after expansion	Average Surgery Time	Total Hours
Anton J. Fakhouri	1,241	**1,200**	1.0416	1249.92
Gary A. Kronen	1,800	**1,400**	1.0416	1458.24
Sarkis M. Bedikian	426	**56**	1.0416	58.3296
		200	2.75	550
Adam F. Meisel	288	**200**	1.0416	208.32
George E. Charuk	489	**489**	0.7652	374.1828
Kevin M. Jackson	65	**65**	2.75	178.75
Dr. Prasad Gourineni	375	**375**	1.35	506.25
Dr. Amit Patel	66	**250**	1.0416	260.4
TOTAL	Based on Historical Volumes at ASTCs and Hospitals within Illinois	**3,980**		**4,577**
TOTAL	Including Dr. Patel (Previously based in Texas)	**4,230**		**4,838**

Table 1110.234(b)
Utilization

	Dept./ Service	Historical Utilization (Treatments)	Projected Utilization	State Standard	Met Standard?
Year 1	ASTC	N/A	4,838 hrs.	>4,500 hrs.	Yes

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(e), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria
Ambulatory Surgical Treatment Center
Criterion 1110.1540, Planning Area Need

Pursuant to 77 Ill. Adm. Code 1110.1540, in addition to the background sections (a) and (b), the following sections are addressed for the expansion of an existing ASTC:

- 1110.1540(c)(2) – Service to GSA Residents
- 1110.1540(e) – Service Demand – Expansion of Existing ASTC Service
- 1110.1540(f) – Treatment Room Need Assessment
- 1110.1540(i) – Staffing
- 1110.1540(j) – Charge Commitment
- 1110.1540(k) – Assurances

a) Identification of ASTC Service and number of Surgical/Treatment Rooms

The existing ASTC will continue to offer the current services being provided as a single-specialty ASTC with the addition of two (2) Operating Rooms. If granted approval, the facility will operate four (4) total treatment rooms. The facility is approved to offer Plastic Surgery and Orthopedics.

b) Background of the Applicant

1) As demonstrated herein the applicant is fit, willing and able, and has the qualifications, background and character to adequately provide a proper standard of health care service for the community. The following entities will have 5% or more ownership interest in the facility:

- Palos Hills Surgery Center, LLC - 100%
  i. Dr. Anton Fakhouri – 50% of PHSC
  ii. Dr. Gary Kronen – 50% of PHSC

3) PHSC does not have ownership in any other IDPH licensed facility.

See Attachment 11 - Exhibit 2 for a signed statement from Palos Hills Surgery Center, LLC certifying that no adverse action has been taken against any facility owned or operated by PHSC and providing authorization for access to IDPH/HFSRB.

c) Service to GSA Residents

2) **Geographic Service Area**

A) See attached Exhibit 1 concerning a list of the anticipated Geographic Service Area which is updated to comply with state regulations and to also coincide with PHSC's increasing patient population. Palos Hills Surgery Center patient population still includes the GSA as stated in the facilities original permit 11-095.

B) See attached Exhibit 2 for the historical patient origin information by zip code for the most recent 12-months of operation from which data is available demonstrating more than 50% of admissions at PHSC were from the GSA.

e) Service Demand – Expansion

1) Historical Service Demand

A) The facility has met the historical utilization standards for the past 2 years and project to exceed the standards for the current calendar year. The state standard is 1,500 hours per treatment room. This standard has been interpreted as requiring 1,500 hours or less for one operating room, greater than 1,500 hours for a second operating room, greater than 3,000 hours for a second room, and so on for each additional operating room.

In 2014, the year the facility opened, the facility performed 475 surgeries in two ORs totaling 434.75 hours. In 2015, the facility performed 1,882 surgeries in two ORs totaling 1670.75 hours, meeting the state standard as projected within its HFSRB application. In 2016, the facility continued its growth, performing 2,434 surgeries in two ORs totaling 2,055.25 hours. For the first 6 month of 2017, PHSC has tracked 1,275 surgeries, totaling 1,616 hours, which equates to an annualized volume of 3,232 hours for two ORs.

Year	State Standard (2 ORs)	PHSC Surgeries	PHSC Surgical Hours	Met Standard?
2014 (1st Year of Operation)	N/A for 1st year	475	434.75	N/A
2015	>1,500 Hours	1,882	1,670.75	Met
2016	>1,500 Hours	2,434	2,055.25	Met
2017 (Projected)	>1,500 Hours	2,550	3,232	Exceed

B) Please see what has been attached as Appendix-2 regarding physician referrals to other IDPH facilities.

2) Projected Service Demand – Projected Referrals

B) Based upon the historic utilization, referenced above as well as the fact that Palos Hills Surgery Center expects an increase in the number of referrals, as evidenced by the attached physician referrals attached as Appendix-1, the projected demand is sufficient to meet the state standards for utilization.

f) Treatment Room Need Assessment – Review Criterion

1) As demonstrated by the physician referrals in Appendix-1, the facility currently projects to perform 4,230 procedures totaling 4,838 hours in the first year following project completion. When excluding referrals from physicians without historical surgeries within Illinois, the projected volumes of 3,980 procedures totaling 4,577 hours still projects to surpass the state standard (>4,500 hours) for four (4) operating rooms. The facility is currently meeting, and projecting to exceed, the utilization standards for its existing two (2) treatment rooms. The proposed number of operating rooms is necessary in order to service the projected patient volumes.

2) Based upon the physician referrals and the historical caseload data, the applicants project the following patient treatments and average time per patient treatment, justifying the expected

utilization of the two additional treatment rooms. This is in addition to the historical utilization data, as referenced above.

Specialty	Total Surgeries	Average Time per Patient	Total Surgery Hours
Orthopedic (ASTC/Hospital)*	**4,230**	**1.14**	**4,838**

*Includes Volumes of 250 surgeries and 260.4 hours for Dr. Patel.

i) Staffing

1) Palos Hills Surgery Center is currently operating with sufficient staffing levels as required by applicable licensure. PHSC will continue to offer the staffing levels as necessary to provide patients with safe and effective care.

2) Each ASTC service is currently being performed by a physician who is board certified or board eligible by the appropriate professional standards organization or entity that credentials or certifies the health care worker for competency in that category of service.

j) Charge Commitment

1) A statement of all charges is attached as Exhibit 3.

2) Please see Exhibit 4, attached herein, which includes a commitment that the charges will not be increased for the first two years of operation.

k) Assurances

1) See Exhibit 5 for a signed statement of Assurances.

2) See Exhibit 5 for a signed statement of Assurances.

Zip Code	City
60564	NAPERVILLE
60563	NAPERVILLE
60566	NAPERVILLE
60567	NAPERVILLE
60490	BOLINGBROOK
60540	NAPERVILLE
60116	CAROL STREAM
60128	CAROL STREAM
60132	CAROL STREAM
60197	CAROL STREAM
60188	CAROL STREAM
60187	WHEATON
60403	CREST HILL
60565	NAPERVILLE
60189	WHEATON
60199	CAROL STREAM
60446	ROMEOVILLE
60532	LISLE
60434	JOLIET
60117	BLOOMINGDALE
~~60440~~	~~BOLINGBROOK~~
60139	GLENDALE HEIGHTS
60138	GLEN ELLYN
60441	LOCKPORT
60137	GLEN ELLYN
60432	JOLIET
60517	WOODRIDGE
60515	DOWNERS GROVE
60516	DOWNERS GROVE
60148	LOMBARD
60143	ITASCA
60599	FOX VALLEY
60101	ADDISON
60561	DARIEN
60439	LEMONT
60191	WOOD DALE
60181	VILLA PARK
60559	WESTMONT
60009	ELK GROVE VILLAGE
60451	NEW LENOX
60491	HOMER GLEN
60514	CLARENDON HILLS
60523	OAK BROOK

60106	BENSENVILLE
60126	ELMHURST
60105	BENSENVILLE
60399	WOOD DALE
60522	HINSDALE
60527	WILLOWBROOK
60521	HINSDALE
60163	BERKELEY
60666	CHICAGO
60558	WESTERN SPRINGS
60162	HILLSIDE
60018	DES PLAINES
60164	MELROSE PARK
60467	ORLAND PARK
60448	MOKENA
60154	WESTCHESTER
60019	DES PLAINES
60131	FRANKLIN PARK
60017	DES PLAINES
60480	WILLOW SPRINGS
60104	BELLWOOD
~~60165~~	~~STONE PARK~~
60526	LA GRANGE PARK
60176	SCHILLER PARK
60160	MELROSE PARK
60464	PALOS PARK
60161	MELROSE PARK
60155	BROADVIEW
60525	LA GRANGE
60513	BROOKFIELD
60153	MAYWOOD
60068	PARK RIDGE
60171	RIVER GROVE
60423	FRANKFORT
60462	ORLAND PARK
60458	JUSTICE
60141	HINES
60487	TINLEY PARK
60546	RIVERSIDE
60457	HICKORY HILLS
60501	SUMMIT ARGO
60465	PALOS HILLS
60656	CHICAGO
60631	CHICAGO

60534	LYONS
60305	RIVER FOREST
60130	FOREST PARK
60706	HARWOOD HEIGHTS
60714	NILES
60634	CHICAGO
60682	CHICAGO
60707	ELMWOOD PARK
60455	BRIDGEVIEW
60301	OAK PARK
60482	WORTH
60053	MORTON GROVE
60302	OAK PARK
60402	BERWYN
60304	OAK PARK
60463	PALOS HEIGHTS
60303	OAK PARK
60415	CHICAGO RIDGE
60477	TINLEY PARK
60638	CHICAGO
60459	BURBANK
~~60453~~	~~OAK LAWN~~
60804	CICERO
60646	CHICAGO
60630	CHICAGO
60644	CHICAGO
60639	CHICAGO
60452	OAK FOREST
60454	OAK LAWN
60641	CHICAGO
60443	MATTESON
60651	CHICAGO
60445	MIDLOTHIAN
60803	ALSIP
60456	HOMETOWN
60499	BEDFORD PARK
60478	COUNTRY CLUB HILLS
60624	CHICAGO
60623	CHICAGO
60632	CHICAGO
60629	CHICAGO
60652	CHICAGO
60655	CHICAGO
60472	ROBBINS

60618	CHICAGO
60647	CHICAGO
60805	EVERGREEN PARK
60428	MARKHAM
60461	OLYMPIA FIELDS
60469	POSEN
60612	CHICAGO
60422	FLOSSMOOR
60406	BLUE ISLAND
60622	CHICAGO
60429	HAZEL CREST
60608	CHICAGO
60636	CHICAGO
60430	HOMEWOOD
60643	CHICAGO
60642	CHICAGO
60426	HARVEY
60609	CHICAGO
60620	CHICAGO
60674	CHICAGO
60607	CHICAGO
60664	CHICAGO
60668	CHICAGO
60669	CHICAGO
60670	CHICAGO
60673	CHICAGO
60675	CHICAGO
60677	CHICAGO
60678	CHICAGO
60680	CHICAGO
60681	CHICAGO
60684	CHICAGO
60685	CHICAGO
60686	CHICAGO
60687	CHICAGO
60688	CHICAGO
60690	CHICAGO
60691	CHICAGO
60693	CHICAGO
60694	CHICAGO
60695	CHICAGO
60696	CHICAGO
60697	CHICAGO
60699	CHICAGO

60614	CHICAGO
60701	CHICAGO
60661	CHICAGO
60621	CHICAGO
60606	CHICAGO
60610	CHICAGO
60654	CHICAGO
60689	CHICAGO
60602	CHICAGO
60603	CHICAGO
60827	RIVERDALE
60616	CHICAGO
60604	CHICAGO
60601	CHICAGO
60605	CHICAGO
60628	CHICAGO
60425	GLENWOOD
60653	CHICAGO
60619	CHICAGO
60419	DOLTON
60476	THORNTON
~~60615~~	~~CHICAGO~~
60473	SOUTH HOLLAND
60637	CHICAGO
60649	CHICAGO
60633	CHICAGO
60617	CHICAGO
60438	LANSING
60409	CALUMET CITY

Zip Code	City	Patient Count	% of Total
60453	OAK LAWN	186	6.91%
60462	ORLAND PARK	119	4.42%
60655	CHICAGO	109	4.05%
60423	FRANKFORT	107	3.97%
60477	TINLEY PARK	105	3.90%
60448	MOKENA	88	3.27%
60467	ORLAND PARK	83	3.08%
60452	OAK FOREST	69	2.56%
60465	PALOS HILLS	67	2.49%
60445	MIDLOTHIAN	65	2.41%
60803	ALSIP	65	2.41%
60487	TINLEY PARK	64	2.38%
60652	CHICAGO	64	2.38%
60459	BURBANK	63	2.34%
60451	NEW LENOX	56	2.08%
60629	CHICAGO	48	1.78%
60643	CHICAGO	46	1.71%
60463	PALOS HEIGHTS	44	1.63%
60638	CHICAGO	44	1.63%
60457	HICKORY HILLS	43	1.60%
60805	EVERGREEN PARK	43	1.60%
60491	HOMER GLEN	38	1.41%
60464	PALOS PARK	34	1.26%
60441	LOCKPORT	33	1.23%
60443	MATTESON	33	1.23%
60482	WORTH	32	1.19%
60620	CHICAGO	27	1.00%
60628	CHICAGO	27	1.00%
60415	CHICAGO RIDGE	25	0.93%
60455	BRIDGEVIEW	25	0.93%
60406	BLUE ISLAND	24	0.89%
60430	HOMEWOOD	23	0.85%
60425	GLENWOOD	20	0.74%
60419	DOLTON	19	0.71%
60409	CALUMET CITY	17	0.63%
60617	CHICAGO	17	0.63%
60619	CHICAGO	17	0.63%
60438	LANSING	15	0.56%
60422	FLOSSMOOR	14	0.52%
60428	MARKHAM	14	0.52%
60473	SOUTH HOLLAND	14	0.52%
60429	HAZEL CREST	13	0.48%
60458	JUSTICE	13	0.48%
60478	COUNTRY CLUB HILLS	13	0.48%
60527	WILLOWBROOK	12	0.45%
60649	CHICAGO	12	0.45%
60804	CICERO	11	0.41%
60426	HARVEY	10	0.37%
60439	LEMONT	10	0.37%
60632	CHICAGO	10	0.37%

60827	RIVERDALE	10	0.37%
60525	LA GRANGE	8	0.30%
60609	CHICAGO	8	0.30%
60402	BERWYN	7	0.26%
60461	OLYMPIA FIELDS	7	0.26%
60476	THORNTON	6	0.22%
60615	CHICAGO	6	0.22%
60633	CHICAGO	6	0.22%
60403	CREST HILL	5	0.19%
60432	JOLIET	5	0.19%
60501	SUMMIT ARGO	5	0.19%
60642	CHICAGO	5	0.19%
60101	ADDISON	4	0.15%
60164	MELROSE PARK	4	0.15%
60440	BOLINGBROOK	4	0.15%
60446	ROMEOVILLE	4	0.15%
60456	HOMETOWN	4	0.15%
60513	BROOKFIELD	4	0.15%
60605	CHICAGO	4	0.15%
60621	CHICAGO	4	0.15%
60636	CHICAGO	4	0.15%
60480	WILLOW SPRINGS	3	0.11%
60559	WESTMONT	3	0.11%
60561	DARIEN	3	0.11%
60608	CHICAGO	3	0.11%
60622	CHICAGO	3	0.11%
60623	CHICAGO	3	0.11%
60707	ELMWOOD PARK	3	0.11%
60126	ELMHURST	2	0.07%
60165	STONE PARK	2	0.07%
60302	OAK PARK	2	0.07%
60469	POSEN	2	0.07%
60472	ROBBINS	2	0.07%
60499	BEDFORD PARK	2	0.07%
60514	CLARENDON HILLS	2	0.07%
60516	DOWNERS GROVE	2	0.07%
60517	WOODRIDGE	2	0.07%
60534	LYONS	2	0.07%
60558	WESTERN SPRINGS	2	0.07%
60610	CHICAGO	2	0.07%
60616	CHICAGO	2	0.07%
60637	CHICAGO	2	0.07%
60646	CHICAGO	2	0.07%
60139	GLENDALE HEIGHTS	1	0.04%
60153	MAYWOOD	1	0.04%
60160	MELROSE PARK	1	0.04%
60521	HINSDALE	1	0.04%
60523	OAK BROOK	1	0.04%
60526	LA GRANGE PARK	1	0.04%
60602	CHICAGO	1	0.04%
60624	CHICAGO	1	0.04%
60641	CHICAGO	1	0.04%

60647	CHICAGO	1	0.04%
60654	CHICAGO	1	0.04%
60656	CHICAGO	1	0.04%
	TOTAL	2327	86.41%

Palos Hills Surgery Center

Fee Schedule

7/19/2017

Standard Fee Schedule

CPT	Description	Standard Fee
10060	INCISION + DRAINAGE OF SKIN ABSCESS	$1,500.00
10061	DRAINAGE OF SKIN ABSCESS	$2,375.00
10080	DRAINAGE OF PILONIDAL CYST	$1,500.00
10081	DRAINAGE OF PILONIDAL CYST	$2,375.00
10120	REMOVE FOREIGN BODY, SUBCUTANEOUS, SIMPLE	$1,500.00
10121	REMOVE FOREIGN BODY COMPLICATED	$3,032.00
10140	INCISION + DRAINAGE OF HEMATOMA/FLUID	$2,375.00
10180	INCISION + COMPLEX DRAINAGE, POST-OP WOUND	$3,515.00
11010	DEBRIDE SKIN, FX	$1,850.00
11011	DEBRIDE SKIN/MUSCLE, FX	$1,850.00
11012	DEBRIDE SKIN/MUSCLE/BONE, FX	$1,850.00
11040	DEBRIDE SKIN PARTIAL	$1,700.00
11041	DEBRIDE SKIN FULL	$1,700.00
11042	DEBRIDEMENT SKIN/SUBCUTANEOUS TISSUE	$1,550.00
11043	DEBRIDE TISSUE/MUSCLE	$1,550.00
11044	DEBRIDE TISSUE/MUSCLE/BONE	$1,400.00
11045	IRRIGATION AN DEBRIDEMENT, SUBCUTANEOUS	$1,400.00
11046	DEBRIDEMENT, MUSCLE AND/OR FASCIA (INCLUDES EPIDERMIS, DERMIS, AND SUBCUTANEOUS TISSUE, IF	$1,400.00
11400	EXCISION, BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), TRUNK, ARMS	$850.00
11402	EXCISION, BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), TRUNK, ARMS	$850.00
11403	EXCISION, BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), TRUNK, ARMS	$1,400.00
11406	EXCISIDN, BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), TRUNK, ARMS	$3,100.00
11420	EXCISION SKIN LESION	$1,400.00
11421	EXCISION, BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), SCALP, NECK,	$1,400.00
11422	EXCISION SKIN LESION	$1,400.00
11423	EXCISION SKIN LESION	$3,100.00
11442	EXCISION, OTHER BENIGN LESION INCLUDING MARGINS, EXCEPT SKIN TAG (UNLESS LISTED ELSEWHERE), FACE,	$1,400.00
11450	REMOVAL, SWEAT GLAND LESION	$3,800.00
11451	REMOVAL, SWEAT GLAND LESION	$3,800.00
11462	REMOVAL, SWEAT GLAND LESION	$3,800.00
11463	REMOVAL, SWEAT GLAND LESION	$3,800.00
11470	REMOVAL, SWEAT GLAND LESION	$3,800.00
11471	REMOVAL, SWEAT GLAND LESION	$3,800.00
11730	AVULSION OF NAIL PLATE	$1,328.00
11732	REMOVE ADDITIONAL NAIL PLATE	$1,328.00
11740	DRAIN BLOOD FROM UNDER NAIL	$1,328.00
11750	EXCISION NAIL/MATRIX, PARTIAL/COMPLETE	$1,328.00
11752	REMOVE NAIL BED/FINGER TIP	$3,809.00
11755	BIOPSY, NAIL UNIT	$1,328.00
11760	REPAIR OF NAIL BED	$1,328.00
11762	RECONSTRUCTION, NAIL BED W/GRFT	$1,328.00
11765	EXCISION OF NAIL FOLD, TOE	$1,328.00
12001	SIMPLE REPAIR OF SUPERFICIAL WOUNDS OF SCALP, NECK, AXILLAE, EXTERNAL GENITALIA, TRUNK AND/OR	$800.00
12013	SIMPLE REPAIR OF SUPERFICIAL WOUNDS OF FACE, EARS, EYELIDS, NOSE, LIPS AND/OR MUCOUS MEMBRANES;	$800.00
12032	REPAIR, INTERMEDIATE, WOUNDS OF SCALP, AXILLAE, TRUNK AND/OR EXTREMITIES (EXCLUDING HANDS AND	$800.00
13120	REPAIR, COMPLEX, SCALP, ARMS, AND/OR LEGS; 1.1 CM TO 2.5 CM	$1,500.00
13121	REPAIR, COMPLEX, SCALP, ARMS, AND/OR LEGS; 2.6 CM TO 7.5 CM	$1,500.00
13122	REPAIR, COMPLEX, SCALP, ARMS, AND/OR LEGS; EACH ADDITIONAL 5 CM OR LESS (LIST SEPARATELY IN	$1,500.00
13131	COMPLEX REPAIR	$1,500.00

CPT	Description	Standard Fee
13132	COMPLEX REPAIR	$1,500.00
13133	REPAIR, COMPLEX, FOREHEAD, CHEEKS, CHIN, MOUTH, NECK, AXILLAE, GENITALIA, HANDS AND/OR FEET; EACH	$1,500.00
13151	REPAIR, COMPLEX, EYELIDS, NOSE, EARS AND/OR LIPS; 1.1 CM TO 2.5 CM	$1,500.00
13152	REPAIR, COMPLEX, EYELIDS, NOSE, EARS AND/OR LIPS; 2.6 CM TO 7.5 CM	$1,500.00
13160	SECONDARY CLOSURE OF SURGICAL WOUND OR DEHISCENCE, EXTENSIVE OR COMPLICATED	$1,500.00
14000	ADJACENT TISSUE TRANSFER (TRUNK)	$2,600.00
14001	ADJACENT TISSUE TRANSFER (TRUNK)	$2,600.00
14020	ADJACENT TISSUE TRANSFER (SCALP, ARMS)	$2,600.00
14021	ADJACENT TISSUE TRANSFER (SCALP, ARMS)	$2,600.00
14040	ADJACENT TISSUE TRANSFER (FOREHEAD, CHEEKS, CHIN, MOUTH, NECK, AXILLAE, GENITALIA, HANDS/FEET)	$2,600.00
14041	ADJACENT TISSUE TRANSFER (FOREHEAD, CHEEKS, CHIN, MOUTH, NECK, AXILLAE, GENITALIA, HANDS/FEET)	$2,600.00
14060	ADJACENT TISSUE TRANSFER (EYELIDS, NOSE, EARS, LIPS)	$2,600.00
14061	ADJACENT TISSUE TRANSFER (EYELIDS, NOSE, EARS, LIPS)	$2,600.00
14301	SKIN TISSUE REARRANGEMENT	$2,500.00
14350	SKIN TISSUE REARRANGEMENT	$2,500.00
15002	SURG PREP SITE(TRUNK),1ST 100 SQ CM	$1,061.00
15003	SURG PREP SITE(TRUNK),ADD'L 100 SQ CM	$1,061.00
15004	SURG PREP SITE FACE,1ST 100 SQ CM	$1,061.00
15005	SURG PREP FACE,ADD'L 100 SQ CM	$998.00
15050	SKIN PINCH GRAFT PROCEDURE	$998.00
15100	SPLIT-THICKNESS SKIN GRAFT	$4,068.00
15101	SPLIT THICKNESS SKIN GRAFT	$1,413.00
15120	SKIN SPLIT GRAFT PROCEDURE	$4,068.00
15200	SKIN FULL GRAFT PROCEDURE	$2,800.00
15220	FULL THICKNESS SKIN GRAFT (FREE)	$2,800.00
15240	FULL THICKNESS SKIN GRAFT FACE, NECK, FOOT, AXILLA	$2,600.00
15260	SKIN FULL GRAFT PROCEDURE	$2,800.00
15271	APPLICATION OF SKIN SUBSTITUTE GRAFT TO TRUNK, ARMS, LEGS, TOTAL WOUND SURFACE AREA UP TO 100 SQ	$2,200.00
15273	APPLICATION OF SKIN SUBSTITUTE GRAFT TO TRUNK, ARMS, LEGS, TOTAL WOUND SURFACE AREA GREATER	$2,200.00
15275	APPLICATION OF SKIN GRAFT	$2,200.00
15277	APPLICATION OF SKIN SUBSTITUTE GRAFT TO FACE, SCALP, EYELIDS, MOUTH, NECK, EARS, ORBITS, GENITALIA,	$2,200.00
15570	FORM SKIN PEDICLE FLAP	$4,068.00
15572	FORM SKIN PEDICLE FLAP	$4,068.00
15574	FORM SKIN PEDICLE FLAP	$4,068.00
15576	FORM SKIN PEDICLE FLAP	$4,068.00
15600	DELAY OF FLAP AT TRUNK	$4,068.00
15610	DELAY OF FLAP AT SCALP,ARMS OR LEGS	$4,068.00
15620	DELAY OF FLAP AT FOREHEAD,CHEEKS,CHIN,NECK,AXILLAE,GENITALIA,HANDS OR FEET	$4,068.00
15630	SKIN GRAFT PROCEDURE	$4,068.00
15650	TRANSFER SKIN PEDICLE FLAP	$4,068.00
15731	FOREHEAD FLAP WITH PRESERVATION OF VASCULAR PEDICL	$4,068.00
15732	MUSCLE-SKIN GRAFT, HEAD/NECK	$4,068.00
15734	MUSCLE-SKIN GRAFT, TRUNK	$4,068.00
15736	MUSCLE,MYOCUTANEOUS FLAP-ARM	$4,068.00
15738	MUSCLE-SKIN GRAFT, LEG	$4,068.00
15740	ISLAND PEDICLE FLAP GRAFT	$4,068.00
15750	NEUROVASCULAR PEDICLE GRAFT	$4,068.00
15760	COMPOSITE SKIN GRAFT	$4,068.00
15770	DERMA-FAT-FASCIA GRAFT	$4,068.00
15850	REMOVAL OF SUTURES	$845.00
15851	REMOVAL OF SUTURES	$560.00
16015	TREATMENT OF BURN(S)	$1,906.00
20103	EXPLORATION OF PENETRATING WOUND (SEPARATE PROCEOURE); EXTREMITY	$1,106.00
20200	MUSCLE BIOPSY	$2,867.00
20205	DEEP MUSCLE BIOPSY	$2,867.00
20220	BONE BIOPSY, TROCAR/NEEDLE	$1,887.00

CPT	Description	Standard Fee
20225	BONE BIOPSY, TROCAR/NEEDLE	$2,967.00
20240	BONE BIOPSY	$4,030.00
20245	BIOPSY, BONE, OPEN; DEEP (EG, HUMERUS, ISCHIUM, FEMUR)	$4,030.00
20520	REMOVAL OF FOREIGN BODY, SIMPLE	$2,500.00
20525	REMOVAL OF FOREIGN BODY, COMPLICATED	$4,030.00
20526	INJECTION ,THERAPEUTIC, CARPAL TUNNEL	$1,576.00
20527	INJECTION, ENZYME (EG, COLLAGENASE), PALMAR FASCIAL CORD (IE, DUPUYTRENS CONTRACTURE)	$1,576.00
20550	INJECTION(S); SINGLE TENDON SHEATH, OR LIGAMENT,	$482.00
20551	INJECTION TENDON INSERTION/ORIGIN	$482.00
20552	TRIGGER POINT INJECTION	$1,642.00
20553	TRIGGER POINT INJECTION	$1,642.00
20600	JOINT INJECTION; SMALL JOINT OR BURSA	$1,668.00
20605	JOINT INJECTION; INTERMEDIATE JOINT OR BURSA	$1,668.00
20610	JOINT INJECTION; MAJOR JOINT OR BURSA	$1,502.00
20612	ASPIRATION/INJECTION GANGLION CYST	$1,502.00
20615	INJECTION/ASPIRATION OF BONE CYST	$1,999.00
20670	REMOVAL HARDWARE, SUPERFICIAL	$2,100.00
20680	REMOVAL HARDWARE, DEEP	$4,200.00
20690	APPLY UNIPLANE EXTERNAL FIXATION SYSTEM	$4,770.00
20692	APPLY BONE FIXATION DEVICE	$4,770.00
20693	ADJUST BONE FIXATION DEVICE	$3,962.00
20694	REMOVE BONE FIXATION DEVICE	$3,528.00
20900	AUTOGENOUS BONE GRAFT	$5,050.00
20902	REMOVAL OF BONE FOR GRAFT	$5,050.00
20910	REMOVE CARTILAGE FOR GRAFT	$4,068.00
20912	REMOVE CARTILAGE FOR GRAFT	$4,068.00
20920	REMOVAL OF FASCIA FOR GRAFT	$4,068.00
20922	REMOVAL OF FASCIA FOR GRAFT	$4,068.00
20924	REMOVAL OF TENDON FOR GRAFT	$4,770.00
20926	AUTOGENEOUS TISSUE GRAFT	$2,664.00
20972	BONE-SKIN GRAFT, METATARSAL	$7,755.00
20973	BONE-SKIN GRAFT, GREAT TOE	$7,755.00
20999	MUSCULOSKELETAL SURGERY	$3,962.00
21315	TREATMENT OF NOSE FRACTURE	$2,032.00
21320	CLOSED REDUCTION NASAL FRACTURE W/STABILIZATION	$3,134.00
21325	REPAIR OF NOSE FRACTURE	$3,000.00
21330	REPAIR OF NOSE FRACTURE	$4,428.00
21335	REPAIR OF NOSE FRACTURE	$4,428.00
21337	CLOSED REDUCTION NASAL SEPTAL FRACTURE	$3,300.00
21555	EXCISION TUMOR, SOFT TISSUE OF NECK OR THORAX; SUBCUTANEOUS	$4,030.00
21930	EXCISION, TUMOR, SOFT TISSUE OF BACK OR FLANK	$4,030.00
22524	PERCUTANEOUS VERTEBRAL AUGMENTATION, INCLUDING CAVITY CREATION (FRACTURE REDUCTION AND BONE	$14,764.00
22900	REMOVE ABDOMINAL WALL LESION	$3,962.00
22999	ABDOMEN SURGERY PROCEDURE	$3,962.00
23000	REMOVAL OF CALCIUM DEPOSITS	$3,030.00
23020	RELEASE SHOULDER JOINT	$8,250.00
23030	DRAIN SHOULDER LESION	$3,515.00
23031	DRAIN SHOULDER BURSA	$3,515.00
23035	DRAIN SHOULDER BONE LESION	$4,200.00
23040	EXPLORATORY SHOULDER SURGERY	$5,050.00
23044	EXPLORATORY SHOULDER SURGERY	$5,050.00
23065	BIOPSY SHOULDER TISSUES	$1,300.00
23066	BIOPSY SHOULDER TISSUES	$4,030.00
23071	EXCISION SOFT TISSUE MASS SHOULDER	$3,030.00
23075	REMOVAL OF SHOULDER LESION	$3,030.00
23076	REMOVAL OF SHOULDER LESION	$4,030.00

CPT	Description	Standard Fee
23077	REMOVE TUMOR OF SHOULDER	$4,030.00
23100	BIOPSY OF SHOULDER JOINT	$4,200.00
23101	SHOULDER JOINT SURGERY	$5,050.00
23105	REMOVE SHOULDER JOINT LINING	$5,050.00
23106	INCISION OF COLLARBONE JOINT	$5,050.00
23107	EXPLORE TREAT SHOULDER JOINT	$5,050.00
23120	OPEN MUMFORD/CLAVICULECTOMY	$8,300.00
23125	CLAVICULECTOMY, TOTAL	$8,300.00
23130	OPEN SUBACROMIAL DECOMPRESSION	$8,300.00
23140	REMOVAL OF BONE LESION	$4,200.00
23145	REMOVAL OF BONE LESION	$5,050.00
23146	REMOVAL OF BONE LESION	$5,050.00
23150	REMOVAL OF HUMERUS LESION	$5,050.00
23155	REMOVAL OF HUMERUS LESION	$5,050.00
23156	REMOVAL OF HUMERUS LESION	$5,050.00
23170	REMOVE COLLARBONE LESION	$5,050.00
23172	REMOVE SHOULDER BLADE LESION	$5,050.00
23174	REMOVE HUMERUS LESION	$5,050.00
23180	REMOVE COLLARBONE LESION	$5,050.00
23182	REMOVE SHOULDERBLADE LESION	$5,050.00
23184	REMOVE HUMERUS LESION	$5,050.00
23190	PARTIAL REMOVAL OF SCAPULA	$5,050.00
23195	REMOVAL OF HEAD OF HUMERUS	$5,050.00
23330	REMOVE SHOULDER FOREIGN BODY SUBCU	$1,400.00
23395	MUSCLE TRANSFER SHOULDER/ARM	$8,300.00
23405	INCISION OF TENDON, MUSCLE	$5,050.00
23406	INCISE TENDON(S), MUSCLE(S)	$5,050.00
23410	OPEN REPAIR ROTATOR CUFF TENDON	$8,300.00
23412	OPEN MINI-REPAIR ROTATOR CUFF TENDON	$8,300.00
23415	RELEASE OF SHOULDER LIGAMENT	$8,300.00
23420	OPEN RECONSTRUCTION OF COMPLETE ROTATOR CUFF AVULSION (CHRONIC)	$8,300.00
23430	OPEN TENODESIS OF LONG TENDON OF BICEPS	$8,300.00
23440	OPEN RESECTION LONG TENDON OF BICEPS	$8,300.00
23450	REPAIR SHOULDER CAPSULE	$13,400.00
23455	REPAIR SHOULDER CAPSULE	$13,400.00
23460	REPAIR SHOULDER CAPSULE	$13,400.00
23462	REPAIR SHOULDER CAPSULE	$8,300.00
23465	REPAIR SHOULDER CAPSULE	$13,400.00
23466	REPAIR SHOULDER CAPSULE	$8,300.00
23470	RECONSTRUCT SHOULDER JOINT	$21,500.00
23480	REVISION OF COLLARBONE	$8,300.00
23485	REVISION OF COLLARBONE	$13,400.00
23490	REINFORCE CLAVICLE	$8,300.00
23491	REINFORCE SHOULDER BONES	$13,400.00
23500	TREAT CLAVICLE FRACTURE	$3,000.00
23505	TREAT CLAVICLE FRACTURE	$3,000.00
23515	OPEN REDUCTION INTERNAL FIXATION CLAVICLE	$11,500.00
23530	REPAIR CLAVICLE DISLOCATION	$7,500.00
23532	REPAIR CLAVICLE DISLOCATION	$5,200.00
23540	TREAT CLAVICLE DISLOCATION	$3,000.00
23545	TREAT CLAVICLE DISLOCATION	$3,000.00
23550	OPEN TREATMENT ACROMIOCLAVICULAR DISLOCATION-WEAVER DUNN	$7,500.00
23552	REPAIR CLAVICLE DISLOCATION-WEAVER DUNN	$7,500.00
23570	TREAT SHOULDERBLADE FRACTURE	$3,000.00
23585	REPAIR SCAPULA FRACTURE	$11,500.00
23600	TREAT HUMERUS FRACTURE	$3,000.00

CPT	Description	Standard Fee
23605	TREAT HUMERUS FRACTURE	$3,000.00
23615	REPAIR HUMERUS FRACTURE	$11,500.00
23616	REPAIR HUMERUS FRACTURE	$11,500.00
23620	TREAT HUMERUS FRACTURE	$3,000.00
23625	TREAT HUMERUS FRACTURE	$3,000.00
23630	REPAIR HUMERUS FRACTURE	$11,500.00
23650	TREAT SHOULDER DISLOCATION	$3,000.00
23655	TREAT SHOULDER DISLOCATION	$3,000.00
23660	REPAIR SHOULDER DISLOCATION	$7,500.00
23665	TREAT DISLOCATION/FRACTURE	$3,000.00
23670	REPAIR DISLOCATION/FRACTURE	$11,500.00
23675	TREAT DISLOCATION/FRACTURE	$3,000.00
23680	REPAIR DISLOCATION/FRACTURE	$7,500.00
23700	MANIPULATION OF SHOULDER UNDER ANESTHESIA	$3,000.00
23800	FUSION OF SHOULOER JOINT	$13,400.00
23802	FUSION OF SHOULDER JOINT	$8,300.00
23921	AMPUTATION FOLLOW-UP SURGERY	$3,000.00
23929	SHOULDER SURGERY PROCEDURE	$3,000.00
23930	INCISION ANO DRAINAGE, DEEP ABCESS OR HEMATOMA, UPPER ARM OR ELBOW	$3,600.00
23931	DRAINAGE OF ARM BURSA	$3,600.00
23935	DRAIN ARM/ELBOW BONE LESION	$4,200.00
24000	ARTHROTOMY ELBOW	$5,050.00
24006	ARTHROTOMY ELBOW WITH CAPSULAR EXCISION	$5,050.00
24065	BIOPSY ARM/ELBOW SOFT TISSUE	$3,000.00
24066	BIOPSY ARM/ELBOW SOFT TISSUE	$3,000.00
24073	EXCISION, TUMOR, SOFT TISSUE OF UPPER ARM OR ELBOW AREA, SUBFASCIAL (EG, INTRAMUSCULAR); 5 CM OR	$3,000.00
24075	EXCISION MASS, ARM/ELBOW	$3,000.00
24076	EXCISION, TUMOR, SOFT TISSUE OF UPPER ARM OR ELBOW AREA; DEEP (SUBFASCIAL OR INTRAMUSCULAR)	$4,030.00
24100	BIOPSY ELBOW JOINT LINING	$4,200.00
24101	EXPLORE/TREAT ELBOW JOINT	$5,050.00
24102	REMOVE ELBOW JOINT LINING	$5,050.00
24105	EXCISION OLECRANON BURSA	$4,200.00
24110	EXCISION OR CURETTAGE OF BONE CYST, HUMERUS	$4,200.00
24115	REMOVE/GRAFT BONE LESION	$5,050.00
24116	REMOVE/GRAFT BONE LESION	$5,050.00
24120	REMOVE ELBOW LESION	$4,200.00
24125	REMOVE/GRAFT BONE LESION	$5,050.00
24126	REMOVE/GRAFT BONE LESION	$5,050.00
24130	EXCISION RADIUS HEAD	$5,050.00
24134	REMOVAL OF ARM BONE LESION	$5,050.00
24136	REMOVE RADIUS BONE LESION	$5,050.00
24138	REMOVE ELBOW BONE LESION	$5,050.00
24140	PARTIAL REMOVAL OF ARM BONE	$5,050.00
24145	PARTIAL REMOVAL OF RADIUS	$5,050.00
24147	PARTIAL EXCISION BONE, OLECRANON PROCESS	$5,050.00
24149	RAOICAL RESECTION OF ELBOW	$5,050.00
24150	EXTENSIVE HUMERUS SURGERY	$8,300.00
24151	EXTENSIVE HUMERUS SURGERY	$8,300.00
24152	EXTENSIVE RADIUS SURGERY	$8,300.00
24153	EXTENSIVE RADIUS SURGERY	$8,300.00
24155	REMOVAL OF ELBOW JOINT	$8,300.00
24200	REMOVAL OF ARM FOREIGN BODY	$3,000.00
24201	REMOVAL OF ARM FOREIGN BODY	$3,000.00
24300	MANIPULATION OF ELBOW, ANESTHESIA	$3,000.00
24301	MUSCLE/TENDON TRANSFER	$5,050.00
24305	ARM TENDON LENGTHENING	$5,050.00

CPT	Description	Standard Fee
24310	TENOTOMY, OPEN, ELBOW TO SHOULDER, EACH TENDON	$4,200.00
24320	REPAIR OF ARM TENDON	$8,300.00
24330	FLEXOR-PLASTY, ELBOW (STEINDLER TYPE ADVANCEMENT)	$13,400.00
24332	TENOLYSIS , TRICEPS	$4,200.00
24340	REPAIR OF BICEPS TENDON	$8,300.00
24341	REPAIR TENDON OR MUSCLE, UPPER ARM OR ELBOW	$8,300.00
24342	BICEPS OR TRICEPS TENDON REPAIR	$8,300.00
24343	REPAIR LATERAL COLLATERAL LIGAMENT, ELBOW	$5,050.00
24344	RECON LAT COLL LIG, ELBOW W/ GRAFT	$13,400.00
24346	RECONSTRUCTION MED COLLATERAL LIGMNT, ELBOW W/GRFT	$8,300.00
24357	EPICONDYLAR RELEASE/STRIPPING LATERAL/MEDIAL	$3,500.00
24358	EPICONDYLECTOMY LATERAL/MEDIAL	$4,000.00
24359	EPICONDYLECTOMY LATERAL/MEDIAL WITH TENDON REPAIR	$4,500.00
24360	ARTHROPLASTY, ELBOW JOINT	$6,700.00
24361	RECONSTRUCT ELBOW JOINT	$21,500.00
24362	RECONSTRUCT ELBOW JOINT	$9,500.00
24363	REPLACE ELBOW JOINT	$21,500.00
24365	RECONSTRUCT HEAD OF RADIUS	$6,700.00
24366	RECONSTRUCT HEAD OF RADIUS	$21,500.00
24400	REVISION OF HUMERUS	$5,050.00
24410	REVISION OF HUMERUS	$5,050.00
24420	REVISION OF HUMERUS	$8,300.00
24430	REPAIR OF HUMERUS	$13,400.00
24435	REPAIR HUMERUS WITH GRAFT	$13,400.00
24470	REVISION OF ELBOW JOINT	$8,300.00
24495	DECOMPRESSION OF FOREARM	$5,050.00
24498	REINFORCE HUMERUS	$13,400.00
24500	CLOSED TREATMENT OF HUMERAL SHAFT FRACTURE; WITHOUT MANIPULATION	$3,300.00
24515	REPAIR HUMERUS FRACTURE	$11,500.00
24516	REPAIR HUMERUS FRACTURE	$11,500.00
24530	TREAT HUMERUS FRACTURE	$3,300.00
24535	CLOSED REDUCTION SUPRACONDYLAR OR TRANSCONDYALR HUMERAL FRACTURE WITH MANIPULATION	$3,300.00
24538	PERCUTANEOUS PINNING SUPRACONDYLAR OR TRANSCONDYLAR HUMERAL FRACTURE	$5,050.00
24545	REPAIR HUMERUS FRACTURE	$11,500.00
24546	REPAIR HUMERUS FRACTURE	$11,500.00
24566	PERCUTANEOUS PINNING HUMERAL EPICONDYLAR FRACTURE MEDIAL/LATERAL WITH MANIPULATION	$5,050.00
24575	OPEN REDUCTION INTERNAL FIXATION HUMERAL EPICONDYLAR FRACTURE MEDIAL/LATERAL	$11,500.00
24579	OPEN REDUCTION INTERNAL FIXATION HUMERAL CONDYLAR FRACTURE, MEDIAL/LATERAL	$11,500.00
24582	PERCUTANEOUS PINNING HUMERAL CONDYLAR FRACTURE MEDIAL/LATERAL WITH MANIPULATION	$5,050.00
24586	REPAIR ELBOW FRACTURE	$11,500.00
24587	REPAIR ELBOW FRACTURE	$11,500.00
24605	TREAT ELBOW DISLOCATION	$3,300.00
24615	REPAIR ELBOW DISLOCATION	$11,500.00
24620	CLOSED REDUCTION MONTEGGIA FRACTURE DISLOCATION AT ELBOW WITH MANIPULATON	$3,300.00
24635	OPEN REDUCTION INTERNAL FIXATION MONTEGGIA FRACTURE DISLOCATION AT ELBOW	$11,500.00
24640	TREAT ELBOW DISLOCATION	$3,300.00
24650	TREAT RADIUS FRACTURE	$3,300.00
24655	CLOSED REOUCTION RADIUS HEAD OR NECK FRACTURE WITH MANIPULATION	$3,300.00
24665	OPEN REDUCTION INTERNAL FIXATION RADIUS HEAD OR NECK FRACTURE	$7,500.00
24666	REPAIR RADIUS FRACTURE	$11,500.00
24670	TREATMENT OF ULNA FRACTURE	$3,300.00
24675	TREATMENT OF ULNA FRACTURE	$3,300.00
24685	OPEN REDUCTION INTERNAL FIXATION ULNAR FRACTURE, PROXIMAL END (OLECRANON OR CORONOID	$7,500.00
24696	TRANFER OF TENDON, ALL FOUR FINGERS	$3,701.00
24800	FUSION OF ELBOW JOINT	$8,300.00
24802	FUSION/GRAFT OF ELBOW JOINT	$8,300.00

CPT	Description	Standard Fee
24925	AMPUTATION FOLLOW-UP SURGERY	$4,200.00
24935	REVISION OF AMPUTATION	$13,400.00
25000	RELEASE FIRST EXTENSOR COMPARTMENT/DEQUERVAIN'S, WRIST	$4,200.00
25001	INCISION (RELEASE) FLEXOR TENDON SHEATH, WRIST (FLEXOR CARPI RADIALIS)	$4,200.00
25020	DECOMPRESSION OF FOREARM	$4,200.00
25023	DECOMPRESSION OF FOREARM	$5,050.00
25024	DECOMPRESS FASCIOTOMY FOREARM/WRIST FLEXOR+EXTENSO	$5,050.00
25025	DECOMPRESSION FASCIOTOMY, FOREARM AND/OR WRIST, FLEXOR AND EXTENSOR COMPARTMENT; WITH	$5,050.00
25028	INCISION AND DRAINAGE, DEEP ABSCESS OR HEMATOMA, FOREARM/WRIST	$4,200.00
25031	DRAINAGE OF FOREARM BURSA	$4,200.00
25035	TREAT FOREARM BONE LESION	$4,200.00
25040	EXPLORE/TREAT WRIST JOINT	$5,050.00
25065	BIOPSY FOREARM SOFT TISSUES	$2,000.00
25066	BIOPSY FOREARM SOFT TISSUES	$4,000.00
25071	EXCISION MASS, FOREARM/WRIST	$1,061.00
25073	EXCISION MASS, FOREARM/WRIST	$1,061.00
25075	EXCISION SOFT TISSUE MASS FOREARM/WRIST	$3,030.00
25076	EXCISION SOFT TISSUE MASS FOREARM/WRIST	$4,030.00
25077	RADICAL RESECTION OF SOFT TISSUE MASS FOREARM/WRIST	$4,030.00
25078	RADICAL RESECTION OF TUMOR (EG, MALIGNANT NEOPLASM), SOFT TISSUE OF FOREARM AND/OR WRIST AREA;	$1,104.00
25085	CAPSULOTOMY WRIST	$4,200.00
25100	BIOPSY OF WRIST JOINT	$4,200.00
25101	EXPLORE/TREAT WRIST JOINT	$5,050.00
25105	ARTHROTOMY WRIST JOINT W/ SYNOVECTOMY	$5,050.00
25107	ARTHROTOMY WITH REPAIR TRIANGULAR FIBROCARTILAGE COMPLEX (TFCC)	$5,050.00
25109	EXCISION OF TENDON,FLEXOR OR EXTENSOR	$4,200.00
25110	EXCISION LESION OF TENDON SHEATH FOREARM/WRIST	$4,200.00
25111	EXCISION GANGLION CYST, WRIST, PRIMARY	$3,200.00
25112	EXCISION GANGLION CYST, WRIST, RECURRENT	$3,200.00
25115	RADICAL EXCISION BURSA, SYNOVIA OF WRIST, OR FOREARM TENDON SHEATHS; FLEXORS	$4,200.00
25116	RADICAL EXCISION BURSA, SYNOVIA OF WRIST, OR FOREARM TENDON SHEATHS; EXTENSORS	$4,200.00
25118	SYNOVECTOMY, EXTENSOR TENDON SHEATH, WRIST	$5,050.00
25119	PARTIAL REMOVAL OF ULNA	$5,050.00
25120	EXCISION BONE CYST OR TUMOR,RADIUS OR ULNA	$5,050.00
25125	REMOVE/GRAFT FOREARM LESION	$5,050.00
25126	REMOVE/GRAFT FOREARM LESION	$5,050.00
25130	EXCISION BONE CYST OR TUMOR, CARPAL BONES	$5,050.00
25135	REMOVE, GRAFT WRIST LESION	$5,050.00
25136	REMOVE, GRAFT WRIST LESION	$5,050.00
25145	REMOVE FOREARM BONE LESION	$5,050.00
25150	PARTIAL REMOVAL OF ULNA	$5,050.00
25151	PARTIAL REMOVAL OF RADIUS	$5,050.00
25170	EXTENSIVE FOREARM SURGERY	$8,300.00
25210	CARPECTOMY; EXCISION TRAPEZIUM	$5,200.00
25215	CARPECTOMY; ALL BONES	$5,200.00
25230	RADIUS STYLOIDECTOMY	$5,050.00
25240	PARTIAL REMOVAL OF ULNA	$5,050.00
25248	REMOVE FOREARM FOREIGN BODY	$4,200.00
25250	REMOVAL OF WRIST PROSTHESIS; (SEPARATE PROCEDURE)	$4,200.00
25259	MANIPULATION, WRIST, UNDER ANESTHESIA	$3,000.00
25260	REPAIR FOREARM TENDON/MUSCLE	$5,050.00
25263	REPAIR FOREARM TENDON/MUSCLE	$5,050.00
25265	TENDON REPAIR, FLEXOR, FOREARM/WRIST W/ GRAFT	$5,050.00
25270	TENDON REPAIR, EXTENSOR, FOREARM/WRIST	$5,050.00
25272	REPAIR FOREARM TENDON/MUSCLE	$5,050.00
25274	REPAIR FOREARM TENDON/MUSCLE	$5,050.00

CPT	Description	Standard Fee
25275	REPAIR TENDON SHEATH, EXTENSOR, FOREARM/WRIST W/ GRAFT (e.g., EXTENSOR CARPI ULNARIS	$5,050.00
25280	REVISE WRIST/FOREARM TENDON	$5,050.00
25290	TENOTOMY, OPEN, FLEXOR OR EXTENSOR TENDON, FOREARM/WRIST, EACH	$5,050.00
25295	RELEASE WRIST/FOREARM TENDON	$4,200.00
25300	FUSION OF TENDONS AT WRIST	$5,050.00
25301	FUSION OF TENDONS AT WRIST	$5,050.00
25310	TENDON TRANSPLANTATION OR TRANSFER, FLEXOR OR EXTENSOR, FOREARM/WRIST, EACH	$8,300.00
25312	TRANSPLANT FOREARM TENDON	$8,300.00
25315	REVISE PALSY HAND TENDON(S)	$8,300.00
25316	REVISE PALSY HAND TENDON(S)	$13,400.00
25320	CAPSULORRHAPHY OR RECONSTRUCTION, WRIST, OPEN	$8,300.00
25332	ARTHROPLASTY, INTERPOSITION, DRUJ	$6,700.00
25335	REALIGNMENT OF HAND	$8,300.00
25337	RECONSTRUCTION FOR STABILIZATION OF UNSTABLE DISTAL ULNA OR DISTAL RADIOULNAR JOINT, SECONDARY	$8,300.00
25350	REVISION OF RADIUS	$13,400.00
25355	REVISION OF RADIUS	$8,300.00
25360	OSTEOTOMY, ULNA	$5,050.00
25365	OSTEOTOMY, RADIUS AND ULNA	$5,050.00
25370	REVISE RADIUS OR ULNA	$8,300.00
25375	REVISE RADIUS, ULNA	$8,300.00
25390	OSTEOPLASTY, RADIUS OR ULNA, SHORTENING	$5,050.00
25391	LENGTHEN RADIUS/ULNA	$8,300.00
25392	SHORTEN RADIUS, ULNA	$5,050.00
25393	LENGTHEN RADIUS, ULNA	$8,300.00
25394	OSTEOPLASTY, CARPAL BONE, SHORTENING	$3,300.00
25400	REPAIR OF NONUNION OR MALUNION, RADIUS/ULNA W/OUT GRAFT	$5,050.00
25405	REPAIR OF NONUNION OR MALUNION, RADIUS/ULNA W/ GRAFT	$5,050.00
25415	REPAIR RADIUS, ULNA	$5,050.00
25420	REPAIR/GRAFT RADIUS, ULNA	$13,400.00
25425	REPAIR/GRAFT RADIUS OR ULNA	$8,300.00
25426	REPAIR/GRAFT RADIUS, ULNA	$8,300.00
25431	REPAIR OF NONUNION CARPAL BONE (EXCLUDING CARPAL SCAPHOID (NAVICULAR))	$5,300.00
25440	REPAIR OF NONUNION, SCAPHOID CARPAL (NAVICULAR) BONE	$13,400.00
25441	RECONSTRUCT WRIST JOINT	$21,500.00
25442	RECONSTRUCT WRIST JOINT	$21,500.00
25443	RECONSTRUCT WRIST JOINT	$9,600.00
25444	RECONSTRUCT WRIST JOINT	$9,600.00
25445	RECONSTRUCT WRIST JOINT	$9,600.00
25446	WRIST REPLACEMENT	$21,500.00
25447	ARTHROPLASTY, INTERPOSITION, INTERCARPAL OR CARPOMETACARPAL JOINTS	$6,700.00
25449	REMOVE WRIST JOINT IMPLANT	$6,700.00
25450	EPIPHYSIODESIS,RADIUS OR ULNA	$8,300.00
25455	REVISION OF WRIST JOINT	$8,300.00
25490	REINFORCE RADIUS	$8,300.00
25491	REINFORCE ULNA	$8,300.00
25492	REINFORCE RADIUS AND ULNA	$8,300.00
25500	TREAT FRACTURE OF RADIUS	$2,709.00
25505	CLOSED REDUCTION OF RADIUS SHAFT FRACTURE W/ MANIPULATION	$2,709.00
25515	OPEN REDUCTION INTERNAL FIXATION RADIUS SHAFT FRACTURE	$7,500.00
25520	REPAIR FRACTURE OF RADIUS	$2,709.00
25525	REPAIR FRACTURE OF RADIUS	$7,500.00
25526	REPAIR FRACTURE OF RADIUS	$7,500.00
25530	TREAT FRACTURE OF ULNA	$2,709.00
25535	CLOSED REDUCTION ULNAR SHAFT FRACTURE W/ MANIPULATION	$2,709.00
25545	OPEN REDUCTION INTERNAL FIXATION ULNAR SHAFT FRACTURE	$7,500.00
25560	TREAT FRACTURE RADIUS, ULNA	$2,709.00

25565	CLOSED REDUCTION RADIUS AND ULNA SHAFT FRACTURE W/ MANIPULATION	$2,709.00
25574	TREAT FRACTURE RADIUS, ULNA	$11,500.00
25575	OPEN REDUCTION INTERNAL FIXATION RADIUS AND ULNA SHAFT FRACTURES	$11,500.00
25600	CLOSED TREATMENT DISTAL RADIAL FX	$2,709.00
25605	CLOSED REDUCTION DISTAL RADIUS FRACTURE; INCLUDES CLOSED REDUCTION OF ULNAR STYLOID FRACTURE	$2,709.00
25606	PERCUTANEOUS PINNING DISTAL RADIUS FRACTURE	$5,200.00
25607	OPEN REDUCTION INTERNAL FIXATION DISTAL RADIUSFRACTURE	$11,500.00
25608	OPEN REDUCTION INTERNAL FIXATION DISTAL RADIUS FRACTURE	$11,500.00
25609	OPEN REDUCTION INTERNAL FIXATION DISTAL RADIUS FRACTURE	$11,500.00
25622	CLOSED REDUCTION CARPAL SCAPHOID (NAVICULAR) FRACTURE W/OUT MANIPULATION	$2,709.00
25624	CLOSED REDUCTION CARPAL SCAPHOID (NAVICULAR) FRACTURE W/ MANIPULATION	$2,709.00
25628	OPEN REDUCTION INTERNAL FIXATION CARPAL SCAPHOID (NAVICULAR) FRACTURE	$7,500.00
25630	TREAT WRIST BONE FRACTURE	$2,709.00
25635	TREAT WRIST BONE FRACTURE	$2,709.00
25645	OPEN TREATMENT CARPAL BONE FRACTURE	$7,500.00
25650	REPAIR WRIST BONE FRACTURE	$2,709.00
25651	PERC SKELETAL FIX ULNAR STYLOID FRACTURE	$5,200.00
25652	OPEN TREATMENT ULNAR STYLOID FRACTURE	$7,500.00
25660	TREAT WRIST DISLOCATION	$2,709.00
25670	REPAIR WRIST DISLOCATION	$5,200.00
25671	PERC SKELETAL FIX DIST RADIOULNAR DISCLOCATION	$5,200.00
25675	TREAT WRIST DISLOCATION	$2,709.00
25676	REPAIR WRIST DISLOCATION	$5,200.00
25680	TREAT WRIST FRACTURE	$2,709.00
25685	REPAIR WRIST FRACTURE	$5,200.00
25690	TREAT WRIST DISLOCATION	$2,709.00
25695	REPAIR WRIST DISLOCATION	$5,200.00
25800	ARTHRODESIS, WRIST, COMPLETE, WITHOUT BONE GRAFT	$13,400.00
25805	FUSION/GRAFT OF WRIST JOINT	$8,300.00
25810	ARTHRODESIS, WRIST, COMPLETE, WITH ILIAC OR OTHER AUTOGRAFT	$13,400.00
25820	ARTHRODESIS, WRIST, LIMITED, W/OUT BONE GRAFT	$3,300.00
25825	ARTHRODESIS, WRIST, LIMITED, W/ AUTOGRAFT	$5,200.00
25830	FUSION RADIOULNAR JNT/ULNA	$13,400.00
25907	AMPUTATION FOLLOW-UP SURGERY	$4,200.00
25909	AMPUTATION FOLLOW-UP SURGERY	$4,200.00
25922	AMPUTATE HAND AT WRIST	$4,200.00
25929	AMPUTATION FOLLOW-UP SURGERY	$2,664.00
25931	AMPUTATION FOLLOW-UP SURGERY	$2,664.00
26010	DRAINAGE OF FINGER ABSCESS	$2,300.00
28011	DRAINAGE OF FINGER ABSCESS	$3,174.00
26020	DRAIN HAND TENDON SHEATH	$3,300.00
26025	DRAINAGE OF PALM BURSA	$3,300.00
26030	DRAINAGE OF PALM BURSA(S)	$3,300.00
26034	TREAT HAND BONE LESION	$3,300.00
26035	DECOMPRESS FINGERS/HAND	$3,300.00
26037	DECOMPRESS FINGERS/HAND	$3,300.00
26040	RELEASE PALM CONTRACTURE	$5,200.00
26045	RELEASE PALM CONTRACTURE	$5,200.00
28055	TRIGGER FINGER RELEASE	$3,300.00
26060	INCISION OF FINGER TENDON	$3,300.00
28070	EXPLORE/TREAT HAND JOINT	$3,300.00
26075	ARTHROTOMY CARPOMETACARPAL JOINT	$3,300.00
26080	ARTHROTOMY INTERPHALANGEAL JOINT	$3,300.00
26100	BIOPSY HAND JOINT LINING	$3,300.00
26105	BIOPSY FINGER JOINT LINING	$3,300.00
26110	ARTHROTOMY W/BIOPSY FINGER JOINT LINING	$3,300.00

26111	EXCISION SOFT TISSUE MASS HAND OR FINGER	$4,030.00
26113	EXCISION MASS HAND/FINGER, SUBFASCIAL 1.5 CM OR GREATER	$4,030.00
26115	EXCISION SOFT TISSUE MASS HAND OR FINGER	$4,030.00
26116	EXCISION SOFT TISSUE MASS HAND OR FINGER	$4,030.00
26117	REMOVE TUMOR, HAND/FINGER	$4,030.00
26121	FASCIECTOMY PALM ONLY (DUPYTREN'S CONTRACTURE)	$5,200.00
26123	FASCIECTOMY, PARTIAL PALMAR W/ RELEASE SINGLE DIGIT (DUPYTREN'S CONTRACTURE)	$5,200.00
26125	RELEASE ADDITIONAL DIGITS (DUPYTREN'S CONTRACTURE)	$2,500.00
26130	REMOVE WRIST JOINT LINING	$3,300.00
26135	SYNOVECTOMY, METACARPOPHALANGEAL JOINT	$5,200.00
26140	SYNOVECTOMY, PROXIMAL INTERPHALANGEAL JOINT INCLUDING EXTENSOR RECONSTRUCTION, EACH	$3,300.00
26145	SYNOVECTOMY, TENDON SHEATH, (TENOSYNOVECTOMY), FLEXOR TENDON	$3,300.00
26160	EXCISION GANGLION CYST, TENDON SHEATH HAND/FINGER	$3,300.00
26170	REMOVAL OF PALM TENDON, EACH	$3,300.00
26180	EXCISION OF TENDON,FLEXOR OR EXTENSOR, FINGER	$3,300.00
26185	REMOVE FINGER BONE	$3,300.00
26200	EXCISION OR CURETTAGE OF BONE CYST, METACARPAL	$3,300.00
26205	REMOVE/GRAFT BONE LESION	$5,200.00
26210	EXCISION OR CURETTAGE OF BONE CYST, PROXIMAL/MIDDLE/DISTAL PHALANX OF FINGER	$3,300.00
26215	REMOVE/GRAFT FINGER LESION	$3,300.00
26230	PARTIAL EXCISION BONE, METACARPAL	$3,300.00
26235	PARTIAL REMOVAL, FINGER BONE	$3,300.00
26236	PARTIAL EXCISION BONE, DISTAL PHALANX	$3,300.00
26250	EXTENSIVE HAND SURGERY	$3,300.00
26260	EXTENSIVE FINGER SURGERY	$3,300.00
26262	PARTIAL REMOVAL OF FINGER	$3,300.00
26320	REMOVAL OF IMPLANT FROM FINGER OR HAND	$3,300.00
26340	MANIPULATION, FINGER JOINT, ANESTHESIA,EACH	$3,300.00
26350	REPAIR OR ADVANCEMENT FLEXOR TENDON, NOT IN ZONE 2	$5,200.00
26352	REPAIR/GRAFT HAND TENDON	$5,200.00
26356	REPAIR OR ADVANCEMENT FLEXOR TENDON, IN ZONE 2	$5,200.00
26357	REPAIR OR ADVANCEMENT FLEXOR TENDON, IN ZONE 2, SECONDARY	$5,200.00
26358	REPAIR/GRAFT HAND TENDON	$5,200.00
26370	REPAIR OR ADVANCEMENT PROFUNDUS TENDON	$5,200.00
26372	REPAIR OR ADVANCEMENT PROFUNDUS TENDON, W/ GRAFT	$5,200.00
26373	REPAIR FINGER/HAND TENDON	$5,200.00
26390	EXCISION FLEXOR TENDON W/ IMPLANT SYNTHETIC ROD	$5,200.00
26392	REMOVAL SYNTHETIC ROD AND INSERTION FLEXOR TENDON GRAFT	$5,200.00
26410	REPAIR HAND TENDON	$3,300.00
26412	REPAIR/GRAFT HAND TENDON	$5,200.00
26415	EXCISION, HAND/FINGER TENDON	$5,200.00
26416	REMOVE ROD, INSERT EXT TENDN GRFT	$5,200.00
26418	REPAIR EXTENSOR TENDON, FINGER	$3,300.00
26420	REPAIR/GRAFT FINGER TENDON	$5,200.00
26426	REPAIR EXTENSOR TENDON, CENTRAL SLIP, FINGER	$5,200.00
26428	REPAIR EXTENSOR TENDON, CENTRAL SLIP, FINGER W/ GRAFT	$5,200.00
26432	PERCUTANEOUS PINNING REPAIR DISTAL EXTENSOR TENDON (MALLET FINGER)	$3,300.00
26433	OPEN REPAIR DISTAL EXTENSOR TENDON (MALLET FINGER)	$3,300.00
26434	REPAIR/GRAFT FINGER TENDON	$5,200.00
26437	REALIGNMENT OF EXTENSOR TENDON (CENTRALIZATION)	$3,300.00
26440	TENOLYSIS FLEXOR TENDON, PALM/FINGER	$3,300.00
26442	RELEASE PALM, FINGER TENDON	$5,200.00
26445	TENOLYSIS EXTENSOR TENDON, HAND OR FINGER	$3,300.00
26449	RELEASE FOREARM/HAND TENDON	$5,200.00
26450	INCISION OF PALM TENDON	$3,300.00
26455	INCISION OF FINGER TENDON	$3,300.00

26460	TENOTOMY, EXTENSOR, HAND/FINGER	$3,300.00
26471	FUSION OF FINGER TENDONS	$3,300.00
26474	FUSION OF FINGER TENDONS	$3,300.00
26476	TENDON LENGTHENING	$3,300.00
26477	TENDON SHORTENING	$3,300.00
26478	LENGTHENING OF HAND TENDON	$3,300.00
26479	SHORTENING OF HAND TENDON	$3,300.00
26480	TRANSPLANT HAND TENDON	$5,200.00
26483	TRANSFER CARPOMETACARPAL TENDON W/OUT GRAFT	$5,200.00
26485	TRANSFER OR TRANSPLANT OF TENDON, PLAMAR, W/O	$5,200.00
26489	TRANSPLANT/GRAFT PALM TENDON	$5,200.00
26490	REVISE THUMB TENDON	$5,200.00
26492	TENDON TRANSFER WITH GRAFT	$5,200.00
26494	HAND TENDON/MUSCLE TRANSFER	$5,200.00
26496	REVISE THUMB TENDON	$5,200.00
26497	FINGER TENDON TRANSFER	$5,200.00
26498	FINGER TENDON TRANSFER, FOUR FINGERS	$5,200.00
26499	REVISION OF FINGER	$5,200.00
26500	HAND TENDON RECONSTRUCTION	$3,300.00
26502	HAND TENDON RECONSTRUCTION	$5,200.00
26508	RELEASE THUMB CONTRACTURE	$3,300.00
26510	THUMB TENDON TRANSFER	$5,200.00
26516	CAPSULODESIS METACARPOPHALANGEAL JOINT	$5,200.00
26517	FUSION OF KNUCKLE JOINTS	$5,200.00
26518	FUSION OF KNUCKLE JOINTS	$5,200.00
26520	CAPSULECTOMY OR CAPSULOTOMY METACARPOPHALANGEAL JOINT	$3,300.00
26525	CAPSULECTOMY OR CAPSULOTOMY INTERPHALANGEAL JOINT	$3,300.00
26530	REVISE KNUCKLE JOINT	$6,700.00
26531	REVISE KNUCKLE WITH IMPLANT	$9,500.00
26535	REVISE FINGER JOINT	$6,700.00
26536	REVISE/IMPLANT FINGER JOINT	$9,500.00
26540	REPAIR COLLATERAL LIGAMENT, MCP/IP JOINT	$3,300.00
26541	RECONSTRUCTION COLLATERAL LIGAMENT METACARPOPHALANGEAL JT W/ GRAFT	$5,200.00
26542	REPAIR HAND JOINT WITH LOCAL TISSUE	$3,300.00
26545	RECONSTRUCT FINGER JOINT	$5,200.00
26546	REPAIR NON-UNION HAND	$5,200.00
26548	REPAIR VOLAR PLATE LIGAMENT, INTERPHALANGEAL JOINT	$5,200.00
26550	CONSTRUCT THUMB REPLACEMENT	$5,200.00
26555	POSITIONAL CHANGE OF FINGER	$5,200.00
26560	REPAIR OF WEB FINGER	$3,300.00
26561	REPAIR OF WEB FINGER	$5,200.00
26562	REPAIR OF WEB FINGER	$5,200.00
26565	CORRECT METACARPAL FLAW	$5,200.00
28567	CORRECT FINGER DEFORMITY	$5,200.00
26566	LENGTHEN METACARPAL/FINGER	$5,200.00
26580	REPAIR HAND DEFORMITY	$3,300.00
26587	RECONSTRUCT EXTRA FINGER	$3,300.00
26590	REPAIR FINGER DEFORMITY	$3,300.00
26591	REPAIR MUSCLES OF HAND	$5,200.00
26593	RELEASE MUSCLES OF HAND	$3,300.00
26596	EXCISION CONSTRICTING TISSUE	$3,300.00
26600	TREAT METACARPAL FRACTURE	$3,300.00
26605	TREAT METACARPAL FRACTURE	$3,300.00
26607	TREAT METACARPAL FRACTURE	$3,300.00
26608	PERCUTANEOUS PINNING METACARPAL FRACTURE	$5,200.00
26615	OPEN REDUCTION INTERNAL FIXATION METACARPAL FRACTURE	$7,500.00

[illegible]	[illegible]	Legislative Fee
26641	TREAT THUMB DISLOCATION	$3,300.00
26645	TREAT THUMB FRACTURE	$3,300.00
26650	PERCUTANEOUS PINNING CARPOMETACARPAL FRACTURE (BENNETT)	$5,200.00
26665	OPEN REDUCTION INTERNAL FIXATION CARPOMETACARPAL FRACTURE (BENNETT)	$7,500.00
26670	TREAT HAND DISLOCATION	$3,300.00
26675	TREAT HAND DISLOCATION	$3,300.00
26676	PERCUTANEOUS PINNING CARPOMETACARPAL DISLOCATION	$5,200.00
26685	OPEN REDUCTION INTERNAL FIXATION CARPOMETACARPAL DISLOCATION	$7,500.00
26686	REPAIR HAND DISLOCATION	$11,500.00
26700	TREAT KNUCKLE DISLOCATION	$3,300.00
26705	TREAT KNUCKLE DISLOCATION	$3,300.00
26706	PIN KNUCKLE DISLOCATION	$3,300.00
26715	OPEN REDUCTION INTERNAL FIXATION METACARPDPHALANGEAL DISLOCATION	$7,500.00
26720	TREAT FINGER FRACTURE, EACH	$3,300.00
26725	CLOSED REDUCTION PHALANGAL SHAFT FRACTURE W/ MANIPULATION	$3,300.00
26727	PERCUTANEOUS PINNING PHALANGEAL SHAFT FRACTURE	$5,200.00
26735	OPEN REDUCTION INTERNAL FIXATION PHALANGEAL SHAFT FRACTURE	$7,500.00
26740	TREAT FINGER FRACTURE, EACH	$3,300.00
26742	CLOSED REDUCTION ARTICULAR FRACTURE MCP/IP W/ MANIPULATION	$3,300.00
26746	OPEN REDUCTION INTERNAL FIXATION ARTICULAR FRACTURE MCP/IP (GAMEKEEPERS)	$7,500.00
26750	TREAT FINGER FRACTURE, EACH	$3,300.00
26755	TREAT FINGER FRACTURE, EACH	$3,300.00
26756	PERCUTANEOUS PINNING DISTAL PHALANGEAL FRACTURE	$5,200.00
26765	OPEN REDUCTION INTERNAL FIXATION DISTAL PHALANGEAL FRACTURE	$7,500.00
26770	TREAT FINGER DISLOCATION	$3,300.00
26775	TREAT FINGER DISLOCATION	$3,300.00
26776	PERCUTANEOUS PINNING INTERPHALANGEAL JOINT DISLOCATION	$5,200.00
26785	REPAIR FINGER DISLOCATION	$5,200.00
26820	THUMB FUSION WITH GRAFT	$5,200.00
26841	FUSION OF THUMB	$5,200.00
26842	THUMB FUSION WITH GRAFT	$5,200.00
26843	FUSION OF HAND JOINT	$5,200.00
26844	FUSION/GRAFT OF HAND JOINT	$5,200.00
26850	ARTHRODESIS METACARPOPHALANGEAL JOINT	$5,200.00
26852	FUSION OF KNUCKLE WITH GRAFT	$5,200.00
26860	ARTHRODESIS INTERPHALANGEAL JOINT	$5,200.00
26861	EACH ADDT'L INTERPHALANGEAL JOINT	$5,200.00
26862	FUSION/GRAFT OF FINGER JOINT	$5,200.00
26863	FUSE/GRAFT ADDED JOINT	$5,200.00
26910	AMPUTATE METACARPAL BONE	$5,200.00
26951	AMPUTATION FINGER OR THUMB	$3,300.00
26952	AMPUTATION OF FINGER/THUMB	$3,300.00
26989	HAND/FINGER SURGERY	$3,300.00
26990	DRAINAGE OF PELVIS LESION	$4,200.00
26991	DRAINAGE OF PELVIS BURSA	$4,200.00
27000	INCISION OF HIP TENDON	$4,200.00
27001	INCISION OF HIP TENDON	$5,050.00
27047	REMOVE HIP/PELVIS LESION	$4,030.00
27062	REMOVE FEMUR LESION/BURSA	$4,030.00
27065	REMOVAL OF HIP BONE LESION	$4,030.00
27066	REMOVAL OF HIP BONE LESION	$4,200.00
27067	REMOVE/GRAFT HIP BONE LESION	$4,200.00
27093	INJECTION FOR HIP X-RAY	$1,600.00
27095	INJECTION FOR HIP ARTHROGRAM W/ ANESTHESIA	$1,600.00
27096	INJECTION FOR SACROILIAC JOINT	$1,600.00
27097	REVISION OF HIP TENDON	$5,050.00

27098	TRANSFER TENDON TO PELVIS	$5,050.00
27301	INCISION AND DRAINAGE, DEEP ABSCESS OR HEMATOMA, THIGH OR KNEE	$3,500.00
27305	INCISE THIGH TENDON, FASCIA	$4,200.00
27306	INCISION OF THIGH TENDON	$4,200.00
27307	INCISION OF THIGH TENDONS	$4,200.00
27310	EXPLORATION OF KNEE JOINT	$5,050.00
27323	BIOPSY THIGH SOFT TISSUES	$1,292.00
27324	BIOPSY THIGH SOFT TISSUES	$4,030.00
27327	REMOVAL OF THIGH LESION	$4,030.00
27328	REMOVAL OF THIGH LESION	$4,030.00
27329	REMOVE TUMOR, THIGH/KNEE	$4,030.00
27330	BIOPSY KNEE JOINT LINING	$5,050.00
27331	EXPLORE/TREAT KNEE JOINT	$5,050.00
27332	REMOVAL OF KNEE CARTILAGE	$5,050.00
27333	REMOVAL OF KNEE CARTILAGE	$5,050.00
27334	REMOVE KNEE JOINT LINING	$5,050.00
27335	REMOVE KNEE JOINT LINING	$5,050.00
27337	EXCISION SOFT TISSUE MASS THIGH/KNEE AREA	$4,200.00
27340	EXCISION PREPATELLAR BURSA	$4,200.00
27345	EXCISION OF SYNOVIAL CYST (BAKER'S CYST)	$4,200.00
27347	EXCISION LESION OF MENISCUS KNEE (GANGLION)	$4,200.00
27350	REMOVAL OF KNEECAP	$5,050.00
27355	EXCISION OR CURRETAGE BONE CYST, FEMUR	$5,050.00
27356	REMOVE FEMUR LESION/GRAFT	$5,050.00
27357	REMOVE FEMUR LESION/GRAFT	$5,050.00
27358	REMOVE FEMUR LESION/FIXATION	$5,050.00
27360	PARTIAL REMOVAL LEG BONE(S)	$5,050.00
27372	REMOVAL OF FOREIGN BODY	$4,030.00
27380	REPAIR INFRAPATELLAR TENDON	$4,200.00
27381	REPAIR/GRAFT KNEECAP TENDON	$4,200.00
27385	REPAIR QUADRICEPS OR HAMSTRING MUSCLE	$4,200.00
27386	REPAIR/GRAFT OF THIGH MUSCLE	$4,200.00
27390	INCISION OF THIGH TENDON	$4,200.00
27391	INCISION OF THIGH TENDONS	$4,200.00
27392	INCISION OF THIGH TENDONS	$4,200.00
27393	LENGTHENING OF THIGH TENDON	$5,050.00
27394	LENGTHENING OF THIGH TENDONS	$5,050.00
27395	LENGTHENING OF THIGH TENDONS	$8,300.00
27396	TRANSPLANT OF THIGH TENDON	$5,050.00
27397	TRANSPLANTS OF THIGH TENDONS	$8,300.00
27400	REVISE THIGH MUSCLES/TENDONS	$8,300.00
27403	REPAIR OF KNEE CARTILAGE	$5,050.00
27405	REPAIR OF KNEE LIGAMENT	$8,300.00
27407	REPAIR OF KNEE LIGAMENT	$13,400.00
27409	REPAIR OF KNEE LIGAMENTS	$8,300.00
27415	OSTEOCHONDRAL ALLOGRAFT, KNEE, OPEN	$8,300.00
27418	REPAIR DEGENERATED KNEECAP	$8,300.00
27420	RECONSTRUCTION DISLOCATING PATELLA	$8,300.00
27422	REVISION OF UNSTABLE KNEECAP	$8,300.00
27424	REVISION/REMOVAL OF KNEECAP	$8,300.00
27425	LATERAL RETINACULAR RELEASE	$5,050.00
27427	RECONSTRUCTION, KNEE	$8,300.00
27428	RECONSTRUCTION, KNEE	$13,400.00
27429	RECONSTRUCTION, KNEE	$13,400.00
27430	REVISION OF THIGH MUSCLES	$8,300.00
27435	INCISION OF KNEE JOINT	$8,300.00

27437	REVISE KNEECAP	$6,700.00
27438	REVISE KNEECAP WITH IMPLANT	$9,500.00
27440	REVISION OF KNEE JOINT	$6,700.00
27441	REVISION OF KNEE JOINT	$6,700.00
27442	REVISION OF KNEE JOINT	$6,700.00
27443	REVISION OF KNEE JOINT	$6,700.00
27475	SURGERY TO STOP LEG GROWTH	$5,050.00
27477	EPIPHYSIODESIS PROXIMAL TIBIA/FIBULA	$4,200.00
27479	EPIPHYSIODESIS DISTAL FEMUR, PROXIMAL TIBIA/FIBULA	$4,200.00
27485	HEMIEPIPHYSEAL DISTAL FEMUR, PROXIMAL TIBIA/FIBULA	$4,200.00
27496	DECOMPRESSION OF THIGH/KNEE	$4,200.00
27497	DECOMPRESSION OF THIGH/KNEE	$4,200.00
27498	DECOMPRESSION OF THIGH/KNEE	$4,200.00
27499	DECOMPRESSION OF THIGH/KNEE	$4,200.00
27506	OPEN TREATMENT OF FEMORAL SHAFT FRACTURE, WITH OR WITHOUT EXTERNAL FIXATION, WITH INSERTION OF	$5,033.00
27507	OPEN TREATMENT OF FEMORAL SHAFT FRACTURE WITH PLATE/SCREWS, WITH OR WITHOUT CERCLAGE	$5,033.00
27511	OPEN TREATMENT OF FEMORAL SUPRACONDYLAR OR TRANSCONDYLAR FRACTURE WITHOUT INTERCONDYLAR	$5,033.00
27513	OPEN TREATMENT OF FEMORAL SUPRACONDYLAR OR TRANSCONDYLAR FRACTURE WITH INTERCONDYLAR	$5,033.00
27514	OPEN TREATMENT OF FEMORAL FRACTURE, DISTAL END, MEDIAL OR LATERAL CONDYLE, INCLUDES INTERNAL	$5,033.00
27519	OPEN TREATMENT OF DISTAL FEMORAL EPIPHYSEAL SEPARATION, INCLUDES INTERNAL FIXATION, WHEN	$5,033.00
27524	OPEN REDUCTION INTERNAL FIXATION PATELLAR FRACTURE	$7,500.00
27535	TREATMENT OF KNEE FRACTURE	$5,033.00
27540	REPAIR OF KNEE FRACTURE	$5,033.00
27552	TREAT KNEE DISLOCATION	$3,000.00
27556	OPEN TREATMENT OF KNEE DISLOCATION, INCLUDES INTERNAL FIXATION, WHEN PERFORMED; WITHOUT	$5,033.00
27570	MANIPULATION OF KNEE JOINT UNDER ANESTHESIA	$3,000.00
27594	AMPUTATION FOLLOW-UP SURGERY	$4,200.00
27600	DECOMPRESSION FASCIOTOMY LEG	$4,200.00
27601	DECOMPRESSION OF LOWER LEG	$4,200.00
27602	DECOMPRESSION OF LOWER LEG	$4,200.00
27603	INCISION AND DRAINAGE, DEEP ABSCESS OR HEMATOMA, LEG OR ANKLE	$3,500.00
27604	DRAIN LOWER LEG BURSA	$4,200.00
27605	INCISION OF ACHILLES TENDON	$4,200.00
27606	INCISION OF ACHILLES TENDON	$4,200.00
27607	TREAT LOWER LEG BONE LESION	$4,200.00
27610	EXPLORE/TREAT ANKLE JOINT	$5,050.00
27612	EXPLORATION OF ANKLE JOINT	$5,050.00
27613	BIOPSY LOWER LEG SOFT TISSUE	$1,400.00
27614	BIOPSY LOWER LEG SOFT TISSUE	$4,100.00
27615	REMOVE TUMOR, LOWER LEG	$5,050.00
27618	EXCISION SOFT TISSUE MASS LEG/ANKLE	$3,100.00
27619	EXCISION SOFT TISSUE MASS LEG/ANKLE	$4,030.00
27620	ARTHROTOMY ANKLE	$5,050.00
27625	REMOVE ANKLE JOINT LINING	$5,050.00
27626	ARTHROTOMY W/ TENOSYNOVECTOMY, ANKLE	$5,050.00
27630	EXCISION GANGLION CYST, LEG/ANKLE	$4,200.00
27632	EXCISION, TUMOR, SOFT TISSUE OF LEG OR ANKLE AREA, SUBCUTANEOUS; 3 CM OR GREATER	$5,050.00
27635	EXCISION OR CURRETAGE BONE CYST, TIBIA/FIBULA	$5,050.00
27637	REMOVE/GRAFT LEG BONE LESION	$5,050.00
27638	REMOVE/GRAFT LEG BONE LESION	$5,050.00
27640	PARTIAL REMOVAL OF TIBIA	$8,300.00
27641	PARTIAL REMOVAL OF FIBULA	$5,050.00
27650	REPAIR ACHILLES TENDON	$8,300.00
27652	REPAIR, PRIMARY, OPEN OR PERCUTANEOUS, RUPTURED ACHILLES TENDON; WITH GRAFT (INCLUDES	$13,400.00
27654	REPAIR OF ACHILLES TENDON, SECONDARY	$8,300.00
27656	REPAIR LEG FASCIA DEFECT	$4,200.00

27658	REPAIR FLEXOR TENDON LEG	$4,200.00
27659	REPAIR OF LEG TENDON, EACH	$4,200.00
27664	REPAIR OF LEG TENDON, EACH	$4,200.00
27665	REPAIR OF LEG TENDON, EACH	$5,050.00
27675	REPAIR PERONEAL TENDONS	$4,200.00
27676	REPAIR PERONEAL TENDON W/OSTEOTOMY	$5,050.00
27680	TENOLYSIS, FLEXOR OR EXTENSOR TENDON, LEG/ANKLE	$5,050.00
27681	RELEASE OF LOWER LEG TENDONS	$5,050.00
27685	LENGTHENING OR SHORTENING OF TENDON, LEG/ANKLE	$5,050.00
27686	LENGTHENING OR SHORTENING OF MULTIPLE TENDONS, LEG/ANKLE	$5,050.00
27687	GASTROCNEMIUS RECESSION	$5,050.00
27690	TRANSFER ANTERIOR TIBIAL EXTENSOR; SUPERFICIAL	$8,300.00
27691	TRANSFER ANTERIOR TIBIAL EXTENSOR; DEEP	$8,300.00
27695	REPAIR OF COLLATERAL LIGAMENT, ANKLE	$5,050.00
27696	REPAIR OF ANKLE LIGAMENTS	$5,050.00
27698	REPAIR OF COLLATERAL LIGAMENT, ANKLE, SECONDARY	$5,050.00
27700	REVISION OF ANKLE JOINT	$6,700.00
27705	INCISION OF TIBIA	$8,300.00
27707	INCISION OF FIBULA	$4,200.00
27709	INCISION OF TIBIA, FIBULA	$5,050.00
27724	REPAIR/GRAFT OF TIBIA	$5,050.00
27730	EPIPHYSIODESIS DISTAL TIBIA	$5,050.00
27732	EPIPHYSIODESIS DISTAL FIBULA	$5,050.00
27734	EPIPHYSIODESIS DISTAL TIBIA/FIBULA	$5,050.00
27740	REPAIR OF LEG EPIPHYSES	$5,050.00
27742	REPAIR OF LEG EPIPHYSES	$8,300.00
27745	REINFORCE TIBIA	$13,400.00
27752	CLOSED REDUCTION TIBIAL SHAFT FRACTURE W/ MANIPULATION	$3,000.00
27756	REPAIR OF TIBIA FRACTURE	$5,200.00
27758	REPAIR OF TIBIA FRACTURE	$7,500.00
27759	REPAIR OF TIBIA FRACTURE	$11,500.00
27762	CLOSED REDUCTION MEDIAL MALLEOUS FRACTURE WITH MANIPULATION	$3,000.00
27766	OPEN REDUCTION INTERNAL FIXATION MEDIAL MALLEOLUS FRACTURE	$7,500.00
27768	CLOSED TREAT POST MALLEOLUS FX	$3,000.00
27769	OPEN TREATMENT OF POSTERIOR MALLEOLUS FRACTURE, INCLUDES INTERNAL FIXATION, WHEN PERFORMED	$3,000.00
27780	CLOSED TREATMENT OF PROXIMAL FIBULA OR SHAFT FRACTURE; WITHOUT MANIPULATION	$3,000.00
27781	TREATMENT OF FIBULA FRACTURE	$3,000.00
27784	REPAIR OF FIBULA FRACTURE	$7,500.00
27786	TREATMENT OF ANKLE FRACTURE	$3,000.00
27788	CLOSED REDUCTION LATERAL MALLEOLUS FRACTURE	$3,000.00
27792	OPEN REDUCTION INTERNAL FIXATION LATERAL MALLEOLUS FRACTURE	$7,500.00
27810	TREATMENT OF ANKLE FRACTURE	$3,000.00
27814	OPEN REDUCTION INTERNAL FIXATION BIMALLEOLAR ANKLE FRACTURE	$7,500.00
27822	OPEN REDUCTION INTERNAL FIXATION TRIMALLEOLAR ANKLE FRACTURE	$7,500.00
27823	REPAIR OF ANKLE FRACTURE	$11,500.00
27824	CLOSED REDUCTION DISTAL TIBIA W/OUT MANIPULATION	$3,000.00
27625	TREAT LOWER LEG FRACTURE	$3,000.00
27826	TREAT LOWER LEG FRACTURE	$7,500.00
27827	OPEN REDUCTION INTERNAL FIXATION DISTAL TIBIA	$11,500.00
27828	TREAT LOWER LEG FRACTURE	$11,500.00
27829	OPEN REDUCTION INTERNAL FIXATION DISTAL TIBIOFIBULAR JOINT DISRUPTION (SYNDESMOSIS)	$7,500.00
27832	REPAIR LOWER LEG DISLOCATION	$7,500.00
27842	TREAT ANKLE DISLOCATION	$3,000.00
27846	REPAIR ANKLE DISLOCATION	$7,500.00
27848	REPAIR ANKLE DISLOCATION	$7,500.00
27860	FIXATION OF ANKLE JOINT	$3,000.00

27870	FUSION OF ANKLE JOINT	$13,400.00
27871	FUSION OF TIBIOFIBULAR JOINT	$13,400.00
27884	AMPUTATION FOLLOW-UP SURGERY	$4,200.00
27889	AMPUTATION OF FOOT AT ANKLE	$5,050.00
27892	DECOMPRESSION OF LEG	$4,200.00
27893	DECOMPRESSION OF LEG	$4,200.00
27894	DECOMPRESSION OF LEG	$4,200.00
28001	INCISION AND DRAINAGE, BURSA, FOOT	$2,300.00
28002	TREATMENT OF FOOT INFECTION	$4,200.00
28003	TREATMENT OF FOOT INFECTION	$4,200.00
28005	TREAT FOOT BONE LESION	$4,200.00
28008	FASCIOTOMY FOOT/TOE	$4,200.00
28010	INCISION OF TOE TENDON	$4,200.00
28011	INCISION OF TOE TENDONS	$4,200.00
28020	EXPLORATION OF A FOOT JOINT	$4,200.00
28022	EXPLORATION OF A FOOT JOINT	$4,200.00
28024	EXPLORATION OF A TOE JOINT	$4,200.00
28035	RELEASE TARSAL TUNNEL (POSTERIOR TIBIAL NERVE DECOMPRESSION)	$3,600.00
28041	EXCISION MASS FOOT/TOE	$4,100.00
28043	EXCISION SOFT TISSUE MASS FOOT/TOE	$4,100.00
28045	EXCISION SOFT TISSUE MASS FOOT/TOE	$4,100.00
28046	RESECTION OF TUMOR, FOOT	$4,100.00
28050	BIOPSY OF FOOT JOINT LINING	$4,100.00
28052	BIOPSY OF FOOT JOINT LINING	$4,100.00
28054	BIOPSY OF TOE JOINT LINING	$4,100.00
28055	NEURECTOMY, INTRINISC MUSCULATURE OF FOOT	$4,100.00
28060	FASCIECTOMY PLANTAR FASCIA, PARTIAL	$4,100.00
28062	REMOVAL OF FOOT FASCIA	$4,100.00
28070	REMOVAL OF FOOT JOINT LINING	$4,100.00
28072	REMOVAL OF FOOT JOINT LINING	$4,100.00
28080	EXCISION MORTON'S NEUROMA	$4,100.00
28086	EXCISE FOOT TENDON SHEATH	$4,100.00
28088	EXCISE FOOT TENDON SHEATH	$4,100.00
28090	EXCISION GANGLION CYST, FOOT	$4,100.00
28092	EXCISION GANGLION CYST, TOES	$4,100.00
28100	EXCISION BONE CYST/EXOSTECTOMY, TALUS/CALCANEUS	$4,100.00
28102	REMOVE/GRAFT FOOT LESION	$8,200.00
28103	REMOVE/GRAFT FOOT LESION	$8,200.00
28104	EXCISION BONE CYST/EXOSTECTOMY, TARSAL/METATARSAL	$4,100.00
28106	REMOVE/GRAFT FOOT LESION	$8,200.00
28107	REMOVE/GRAFT FOOT LESION	$8,200.00
28108	EXCISION BONE CYST/EXOSTECTOMY, PHALANGES OF FOOT	$4,100.00
28110	OSTECTOMY, PARTIAL, 5TH METATARSAL HEAD (BUNIONETTE)	$4,100.00
28111	PART REMOVAL OF METATARSAL	$4,100.00
28112	OSTECTOMY 2ND, 3RD, 4TH METATARSAL HEAD	$4,100.00
28113	OSTECTOMY 5TH METATARSAL HEAD	$4,100.00
28114	REMOVAL OF METATARSAL HEADS	$4,100.00
28116	REVISION OF FOOT	$4,100.00
28118	REMOVAL OF HEEL BONE	$4,100.00
28119	OSTECTOMY CALCANEUS, FOR SPUR	$4,100.00
28120	PARTIAL EXCISION BONE, TALUS/CALCANEUS	$4,100.00
28122	PARTIAL EXCISION BONE, TARSAL/METATARSAL	$4,100.00
28124	PARTIAL EXCISION BONE, PHALANX	$4,100.00
28126	PARTIAL REMOVAL OF TOE	$4,100.00
28130	REMOVAL OF ANKLE BONE	$4,100.00
28140	METATARSECTOMY	$4,100.00

28150	REMOVAL OF TOE	$4,100.00
28153	RESECTION CONDYLE, DISTAL PHALANX, TOE	$4,100.00
28160	HEMIPHALANGECTOMY	$4,100.00
28171	EXTENSIVE FOOT SURGERY	$4,100.00
28173	EXTENSIVE FOOT SURGERY	$4,100.00
28175	EXTENSIVE FOOT SURGERY	$4,100.00
28190	REMOVAL OF FOOT FOREIGN BODY, FOOT	$2,000.00
28192	REMOVAL OF FOOT FOREIGN BODY, FOOT, DEEP	$3,100.00
28193	REMOVAL OF FOOT FOREIGN BODY	$3,100.00
28200	REPAIR OF FOOT TENDON	$4,100.00
28202	REPAIR/GRAFT OF FOOT TENDON	$4,100.00
28208	REPAIR OF FOOT TENDON	$4,100.00
28210	REPAIR/GRAFT OF FOOT TENDON	$8,200.00
28220	RELEASE OF FOOT TENDON	$4,100.00
28222	RELEASE OF FOOT TENDONS	$4,100.00
28225	TENOLYSIS, EXTENSOR, FOOT	$4,100.00
28226	RELEASE OF FOOT TENDONS	$4,100.00
28230	TENOTOMY, FLEXOR, FOOT	$4,100.00
28232	TENOTOMY, FLEXOR, TOE	$4,100.00
28234	TENOTOMY, EXTENSOR, FOOT/TOE	$4,100.00
28238	RECONSTRUCTION POSTERIOR TIBIAL TENDON	$8,200.00
28240	TENOTOMY LENGTHENING, ABDUCTOR HALLUCIS MUSCLE	$4,100.00
28250	REVISION OF FOOT FASCIA	$4,100.00
28260	RELEASE OF MIDFOOT JOINT	$4,100.00
28261	REVISION OF FOOT TENDON	$4,100.00
28262	REVISION OF FOOT AND ANKLE	$4,100.00
28264	RELEASE OF MIDFOOT JOINT	$8,200.00
28270	TENOTOMY + CAPSULOTOMY, METATARSOPHALANGEAL JOINT	$4,100.00
28272	RELEASE OF TOE JOINT, EACH	$4,100.00
28280	FUSION OF TOES	$4,100.00
28285	HAMMERTOE REPAIR	$4,100.00
28286	REPAIR OF HAMMERTOE,COCKUP 5TH TOE	$4,100.00
28288	OSTECTOMY, PARTIAL (METATARSAL HEAD RESECTION)	$4,100.00
28289	HALLUX RIGIDUS CORRECTION W/CHEILECTOMY	$4,100.00
28290	SILVER/SIMPLE BUNIONECTOMY	$5,700.00
28292	BUNIONECTOMY, MCBRIDE	$5,700.00
28293	BUNIONECTOMY W/IMPLANT	$5,700.00
28294	JOPLIN PROCEDURE	$5,700.00
28296	BUNIONECTOMY W/METATARSAL OSTEOTOMY (Z-BUNIONECTOMY)	$5,700.00
28297	BUNIONECTOMY, LAPIDUS	$5,700.00
28298	BUNIONECTOMY W/PHALANGEAL OSTEOTOMY (AKIN)	$5,700.00
28299	BUNIONECTOMY W/DOUBLE OSTEOTOMY	$5,700.00
28300	OSTEOTOMY, CALCANEUS	$8,200.00
28302	INCISION OF ANKLE BONE	$4,100.00
28304	INCISION OF MIDFOOT BONES	$8,200.00
28305	OSTEOTOMY, TARSAL BONES W/ AUTOGRAFT	$8,200.00
28306	OSTEOTOMY, FIRST METATARSAL	$4,100.00
28307	INCISION OF METATARSAL	$4,100.00
28308	OSTEOTOMY, OTHER THAN FIRST METATARSAL	$4,100.00
28309	INCISION OF METATARSALS	$8,200.00
28310	OSTEOTOMY, PROXIMAL PHALANX FIRST TOE (AKIN)	$4,100.00
28312	REVISION OF TOE	$4,100.00
28313	REPAIR DEFORMITY OF TOE	$4,100.00
28315	SESAMOIDECTOMY, FIRST TOE	$4,100.00
28320	REPAIR OF FOOT BONES	$8,200.00
28322	REPAIR OF METATARSALS	$8,200.00

28340	RESECT ENLARGED TOE TISSUE	$4,100.00
28341	RESECT ENLARGED TOE	$4,100.00
28344	REPAIR EXTRA TOE(S)	$4,100.00
28345	REPAIR WEBBED TOE(S)	$4,100.00
28360	RECONSTRUCT CLEFT FOOT	$8,200.00
28400	TREATMENT OF HEEL FRACTURE	$3,000.00
28406	TREATMENT OF HEEL FRACTURE	$5,100.00
28415	REPAIR OF HEEL FRACTURE	$7,500.00
28420	REPAIR/GRAFT HEEL FRACTURE	$7,500.00
28436	TREATMENT OF ANKLE FRACTURE	$5,100.00
28445	REPAIR OF ANKLE FRACTURE	$7,500.00
28465	REPAIR MIDFOOT FRACTURE EACH	$7,500.00
28470	TREAT METATARSAL FRACTURE	$3,000.00
28475	TREAT METATARSAL FRACTURE	$3,000.00
28476	PERCUTANEOUS FIXATION METATARSAL FRACTURE	$5,100.00
28485	OPEN REDUCTION INTERNAL FIXATION METATARSAL FRACTURE	$7,500.00
28490	CLOSED TREATMENT OF FRACTURE GREAT TOE, PHALANX OR PHALANGES; WITHOUT MANIPULATION	$3,000.00
28495	TREAT BIG TOE FRACTURE	$3,000.00
28496	PERC FIXATION PHALANX, BIG TOE FRACTURE	$5,100.00
28505	REPAIR BIG TOE FRACTURE	$7,500.00
28515	TREATMENT OF TOE FRACTURE	$3,000.00
28525	REPAIR OF TOE FRACTURE	$7,500.00
28531	OPEN REDUCTION INTERNAL FIXATION SESAMOID FRACTURE	$7,500.00
28545	TREAT FOOT DISLOCATION	$5,100.00
28546	TREAT FOOT DISLOCATION	$5,100.00
28555	REPAIR FOOT DISLOCATION	$7,500.00
28576	TREAT FOOT DISLOCATION	$5,100.00
28585	REPAIR FOOT DISLOCATION	$7,500.00
28606	TREAT FOOT DISLOCATION	$5,100.00
28615	OPEN REDUCTION INTERNAL FIXATION TARSOMETATARSAL JOINT DISLOCATION (LISFRANC)	$7,500.00
28635	TREAT TOE DISLOCATION	$3,000.00
28636	CLOSED REDUCTION WITH PERCUTANEOUS PINNING METATARSOPHALANGEAL JOINT DISLOCATION	$5,100.00
28645	OPEN REDUCTION INTERNAL FIXATION METATARSOPHALANGEAL JOINT DISLOCATION	$7,500.00
28666	PERCUTANEOUS PINNING IPJ DISLOCATION	$5,100.00
28675	REPAIR OF TOE DISLOCATION	$7,500.00
28705	FUSION OF FOOT BONES	$8,200.00
28715	FUSION OF FOOT BONES	$8,200.00
28725	FUSION OF FOOT BONES	$8,200.00
28730	FUSION OF FOOT BONES	$8,200.00
28735	FUSION OF FOOT BONES	$8,200.00
28737	REVISION OF FOOT BONES	$8,200.00
28740	FUSION OF FOOT BONES	$8,200.00
28750	ARTHRODESIS, GREAT TOE, METATARSOPHALANGEAL JOINT	$8,200.00
28755	FUSION OF BIG TOE JOINT	$4,100.00
28760	FUSION OF BIG TOE JOINT	$8,200.00
28800	AMPUTATION OF MIDFOOT	$4,100.00
28810	AMPUTATION TOE, METATARSAL	$4,100.00
28820	AMPUTATION TOE, METATARSOPHALANGEAL JOINT	$4,100.00
28825	AMPUTATION TOE, INTERPHALANGEAL JOINT	$4,100.00
28899	FOOT/TOES SURGERY PROCEDURE	$3,000.00
29425	APPLICATION OF SHORT LEG CAST (BELOW KNEE TO TOES); WALKING OR AMBULATORY TYPE	$1,956.00
29800	JAW ARTHROSCOPY/SURGERY	$5,800.00
29804	JAW ARTHROSCOPY/SURGERY	$5,800.00
29805	ARTHROSCOPY,SHOULDER, DIAGNOSTIC	$5,800.00
29806	ARTHROSCOPIC CAPSULORRHAPHY, SHOULDER	$9,200.00
29807	ARTHROSCOPY,SHOULDER W/REPAIR SLAP TEAR	$9,200.00

29819	ARTHROSCOPY SHOULDER W/REMOVAL LOOSE OR FOREIGN BODY	$5,800.00
29820	SHOULDER ARTHROSCOPY/SURGERY	$5,800.00
29821	SHOULDER ARTHROSCOPY/SURGERY	$5,800.00
29822	ARTHROSCOPY SHOULDER W/LIMITED DEBRIDEMENT	$5,800.00
29823	ARTHROSCOPY SHOULDER W/EXTENSIVE DEBRIDEMENT	$5,800.00
29824	ARTHROSCOPY W/DISTAL CLAVICULECTOMY (MUMFORD)	$5,800.00
29825	ARTHROSCOPY SHOULDER W/ LYSIS OF ADHESIONS	$5,800.00
29826	SHOULDER ARTHROSCOPY W/SUBACROMIAL DECOMPRESSION	$5,800.00
29827	ARTHROSCOPY,SHOULDER W/ROTATOR CUFF REPAIR	$9,200.00
29828	ARTHROSCOPIC BICEPS TENDONESIS	$5,800.00
29830	ELBOW ARTHROSCOPY	$5,800.00
29834	ELBOW ARTHROSCOPY/SURGERY	$5,800.00
29835	ELBOW ARTHROSCOPY/SURGERY	$5,800.00
29836	ELBOW ARTHROSCOPY/SURGERY	$5,800.00
29837	ELBOW ARTHROSCOPY/SURGERY	$5,800.00
29838	ARTHROSCOPY ELBOW W/EXTENSIVE DEBRIDEMENT	$5,800.00
29840	ARTHROSCOPY WRIST DIAGNOSTIC	$5,800.00
29843	WRIST ARTHROSCOPY/SURGERY	$5,800.00
29844	WRIST ARTHROSCOPY/SURGERY	$5,800.00
29845	WRIST ARTHROSCOPY/SURGERY	$5,800.00
29846	ARTHROSCOPY WRIST W/TRIANGULAR FIBROCARTILAGE REPAIR (TFCC)	$5,800.00
29847	WRIST ARTHROSCOPY/SURGERY	$5,800.00
29848	WRIST ARTHROSCOPY/SURGERY	$5,800.00
29850	KNEE ARTHROSCOPY/SURGERY	$5,800.00
29851	KNEE ARTHROSCOPY/SURGERY	$9,200.00
29855	TIBIAL ARTHROSCOPY/SURGERY	$9,200.00
29856	TIBIAL ARTHROSCOPY/SURGERY	$5,800.00
29860	HIP ARTHROSCOPY, DIAGNOSTIC	$5,800.00
29861	HIP ARTHROSCOPY, SURGERY	$5,800.00
29862	HIP ARTHROSCOPY, SURGERY	$9,200.00
29863	HIP ARTHROSCOPY, SURGERY	$9,200.00
29870	ARTHROSCOPY KNEE DIAGNOSTIC	$5,800.00
29871	KNEE ARTHROSCOPY/DRAINAGE	$5,800.00
29873	ARTHROSCOPY KNEE W/LATERAL RETINACULAR RELEASE	$5,800.00
29874	ARTHRDSCOPY KNEE W/ REMOVAL LOOSE BODY	$5,800.00
29875	ARTHRDSCOPY KNEE W/ LIMITED SYNOVECTOMY	$5,800.00
29876	ARTHROSCOPY KNEE W/ MAJOR SYNOVECTOMY	$5,800.00
29877	ARTHROSCOPY KNEE W/CHONDROPLASTY	$5,800.00
29879	ARTHROSCOPY KNEE W/MICROFRACTURE DRILLING	$5,800.00
29880	ARTHROSCOPY KNEE W/PARTIAL MEDIAL AND LATERAL MENISCECTOMIES	$5,800.00
29881	ARTHROSCOPY KNEE W/MEDIAL/LATERAL MENISCECTOMY	$5,800.00
29882	ARTHROSCOPY KNEE W/MEDIAL/LATERAL MENISCUS REPAIR	$5,800.00
29883	KNEE ARTHROSCOPY/MED + LAT MENISCAL REPAIR	$5,800.00
29884	KNEE ARTHROSCOPY/SURGERY	$5,800.00
29885	ARTHROSCOPY KNEE DRILLING FOR OSTEOCHONDRITIS DISSECANS	$9,200.00
29886	KNEE ARTHROSCOPY W/DRILLING	$5,800.00
29887	KNEE ARTHROSCOPY/SURGERY	$5,800.00
29888	ARTHROSCOPY KNEE W/ACL RECONSTRUCTION	$9,200.00
29889	KNEE ARTHROSCOPY/SURGERY	$9,200.00
29891	ANKLE ARTHROSCOPY/SURGERY	$5,800.00
29892	ANKLE ARTHROSCOPY/SURGERY	$5,800.00
29893	ENDOSCOPIC PLANTAR FASCIOTOMY	$4,200.00
29894	ANKLE ARTHROSCOPY/SURGERY	$5,800.00
29895	ANKLE ARTHROSCOPY/SURGERY	$5,800.00
29897	ARTHROSCOPY ANKLE W/ LIMITED DEBRIDEMENT	$5,800.00
29898	ARTHROSCOPY ANKLE W/EXTENSIVE	$5,800.00

29901	ARTHROSCOPY, METACARPAL PHALANGEAL JOINT, SURGICAL	$3,300.00
29914	ARTHROSCOPY, HIP, SURGICAL; WITH FEMOROPLASTY (IE, TREATMENT OF CAM LESION)	$3,300.00
29915	ARTHROSCOPY, HIP, SURGICAL; WITH ACETABULOPLASTY (IE, TREATMENT OF PINCER LESION)	$3,300.00
29916	ARTHROSCOPY, HIP, SURGICAL; WITH LABRAL REPAIR	$3,300.00
29999	UNLISTED PROC, ARTHROSCOPY	$5,800.00
35207	REPAIR BLOOD VESSEL LESION	$7,800.00
35761	EXPLORATION (NOT FOLLOWED BY SURGICAL REPAIR), WITH OR WITHOUT LYSIS OF ARTERY; OTHER VESSELS	$5,900.00
62264	PERC LYSIS OF EPI ADHESIONS	$2,500.00
62273	EPIDURAL BLOOD PATCH	$1,150.00
62278	LUMBAR EPIDURAL STEROID INJECTION	$2,272.00
62279	INJECT SPINAL ANESTHETIC	$2,272.00
62287	PERCUTANEOUS DISKECTOMY	$6,700.00
62290	PROVOCATIVE DISCOGRAM,LUMBAR	$2,272.00
62291	PROVOCATIVE DISKOGRAM, CERV/THOR	$2,272.00
62298	INJECTION INTO SPINAL CANAL	$906.00
62310	EPIDURAL STEROID INJECTION, CERVICAL	$2,272.00
62311	LUMBAR EPIDURAL STEROID INJECTION	$2,272.00
62318	EPIDURAL INJECTION W/CATHETER PLACEMENT,CERV	$2,272.00
62320	Injection(s), of diagnostic or therapeutic substance(s) (eg, anesthetic, antispasmodic, opioid, steroid, other solution), not	$2,272.00
62321	Injection(s), of diagnostic or therapeutic substance(s) (eg, anesthetic, antispasmodic, opioid, steroid, other solution), not	$2,272.00
62322	Injection(s), of diagnostic or therapeutic substance(s) (eg, anesthetic, antispasmodic, opioid, steroid, other solution), not	$2,272.00
62323	Injection(s), of diagnostic or therapeutic substance(s) (eg, anesthetic, antispasmodic, opioid, steroid, other solution), not	$2,272.00
63001	REMOVAL OF SPINAL LAMINA	$8,900.00
63003	REMOVAL OF SPINAL LAMINA	$8,900.00
63005	REMOVAL OF SPINAL LAMINA	$8,900.00
63011	REMOVAL OF SPINAL LAMINA	$8,900.00
63012	REMOVAL OF SPINAL LAMINA	$8,900.00
63015	REMOVAL OF SPINAL LAMINA	$8,900.00
63016	REMOVAL OF SPINAL LAMINA	$8,900.00
63017	REMOVAL OF SPINAL LAMINA	$8,900.00
63020	NECK SPINE DISK SURGERY	$8,900.00
63030	LOW BACK DISK SURGERY	$8,900.00
63035	ADDED SPINAL DISK SURGERY	$8,900.00
63040	NECK SPINE DISK SURGERY	$8,900.00
63042	LOW BACK DISK SURGERY	$8,900.00
63045	REMOVAL OF SPINAL LAMINA	$8,900.00
63046	REMOVAL OF SPINAL LAMINA	$8,900.00
63047	REMOVAL OF SPINAL LAMINA	$8,900.00
63048	REMOVAL OF SPINAL LAMINA	$8,900.00
63055	DECOMPRESS SPINAL CORD	$8,900.00
63056	DECOMPRESS SPINAL CORD	$8,900.00
63057	DECOMPRESS SPINAL CORD	$8,900.00
63064	DECOMPRESS SPINAL CORD	$8,900.00
63066	DECOMPRESS SPINAL CORD	$8,900.00
63075	NECK SPINE DISK SURGERY	$8,900.00
63650	IMPLANT NEUROELECTRODES	$11,400.00
64420	INJECTION FOR NERVE BLOCK	$1,150.00
64440	INJECTION FOR NERVE BLOCK	$1,150.00
64442	NERVE BLOCK, PARAVERTEBRAL FACET JOINT	$1,150.00
64443	INJECTION FOR NERVE BLOCK	$1,150.00
64450	INJECTION, ANESTHETIC AGENT; OTHER PERIPHERAL NERVE OR BRANCH	$1,150.00
64455	INJECT STEROID, PLANTAR COMMON DIGITAL NERVE	$1,150.00
64479	TRANSFORAMINAL EPIDURAL,CERV/THOR	$2,272.00
64480	TRANSFORAMINAL EPID INJ CERV/THOR, EA. ADDT'L	$1,136.00
64483	TRANSFORAMINAL EPIDURAL STEROID INJECTION, LUMBAR/SACRAL	$2,272.00
64484	TRANSFORAMINAL EPIDURAL STEROID INJECTION,LUMBAR/SACRAL	$1,136.00

64490	PARAVERTEBRAL FACET JOINT INJECTION, CERVICAL/THORACIC	$2,272.00
64491	PARAVERTEBRAL FACET JOINT INJECTION, CERVICAL/THORACIC	$2,272.00
64492	INJECTION(S), DIAGNOSTIC OR THERAPEUTIC AGENT, PARAVERTEBRAL FACET (ZYGAPOPHYSEAL) JOINT (OR	$1,136.00
64493	FACET JOINT INJECTION, LUMBAR/SACRAL	$2,272.00
64494	FACET JOINT INJECTION, LUMBAR/SACRAL	$1,136.00
64495	FACET JOINT INJECTION, LUMBAR/SACRAL	$1,136.00
64510	STELLATE GANGLION SYMPATHETIC NERVE BLOCK, CERVICAL	$2,272.00
64520	PARAVERTEBRAL SYMPATHETIC BLOCK, LUMBAR/THORACIC	$2,272.00
64622	INJECTION TREATMENT OF NERVE, LUMBAR/SACRAL	$1,642.00
64623	ADD'L INJECTION TREATMENT NERVE, LUMBAR/SACRAL	$1,642.00
64626	INJECTION TREATMENT OF NERVE, CERVICAL/THORACIC	$1,642.00
64627	ADD'L INJECTION TREATMENT NERVE, CERVICAL/THORACIC	$1,642.00
64702	NEUROPLASTY/NEUROLYSIS; DIGITAL	$3,600.00
64704	NEUROPLASTY/NEUROLYSIS; NERVE OF HAND/FOOT	$3,600.00
64708	NEUROPLASTY/NEUROLYSIS; MAJOR PERIPHERAL NERVE (RADIAL TUNNEL RELEASE)	$3,600.00
64712	REVISION OF SCIATIC NERVE	$3,600.00
64713	NERVE DECOMPRESSION, BRACHIAL PLEXUS	$3,600.00
64718	TRANSPOSITION ULNAR NERVE AT ELBOW (CUBITAL TUNNEL)	$3,600.00
64719	TRANSPOSITION ULNAR NERVE AT WRIST (GUYON)	$3,600.00
64721	CARPAL TUNNEL RELEASE	$3,600.00
64722	RELIEVE PRESSURE ON NERVE(S)	$3,600.00
64726	RELEASE FOOT/TOE NERVE	$3,600.00
64727	INTERNAL NERVE REVISION	$3,600.00
64772	INCISION OF SPINAL NERVE	$3,600.00
64774	REMOVE SKIN NERVE LESION	$3,600.00
64776	EXCISION OF NEUROMA, DIGITAL NERVE	$3,600.00
64778	ADDED DIGIT NERVE SURGERY	$3,600.00
64782	REMOVE LIMB NERVE LESION	$3,600.00
64784	EXCISION OF NEUROMA, MAJOR PERIPHERAL NERVE	$3,600.00
64787	IMPLANT NERVE END	$3,600.00
64768	REMOVE SKIN NERVE LESION	$3,600.00
64790	REMOVAL OF NERVE LESION	$3,600.00
64795	BIOPSY OF NERVE	$3,600.00
64802	REMOVE SYMPATHETIC NERVES	$3,600.00
64804	REMOVE SYMPATHETIC NERVES	$3,600.00
64809	REMOVE SYMPATHETIC NERVES	$3,600.00
64818	REMOVE SYMPATHETIC NERVES	$3,600.00
64820	REMOVE SYMPATHETIC NERVES	$3,600.00
64821	SYMPATHECTOMY, RADIAL DIGITAL ARTERY	$5,200.00
64831	NERVE REPAIR DIGITAL NERVE, HAND/FOOT	$6,700.00
64832	REPAIR ADDITIONAL NERVE	$3,300.00
64834	NERVE REPAIR, HAND/FOOT (COMMON SENSORY)	$6,700.00
64835	REPAIR OF HAND OR FOOT NERVE	$6,700.00
64836	NERVE REPAIR, HAND/FOOT (ULNAR MOTOR)	$6,700.00
64640	REPAIR OF LEG NERVE	$6,700.00
64856	REPAIR/TRANSPOSE NERVE	$6,700.00
64857	NERVE REPAIR MAJOR PERIPHERAL NERVE, WITHOUT TRANSPOSITION	$6,700.00
64858	REPAIR SCIATIC NERVE	$6,700.00
64859	ADDITIONAL NERVE SURGERY	$6,700.00
64861	REPAIR OF ARM NERVES	$6,700.00
64862	REPAIR OF LOW BACK NERVES	$6,700.00
64864	REPAIR OF FACIAL NERVE	$6,700.00
64865	REPAIR OF FACIAL NERVE	$6,700.00
64866	FUSION OF FACIAL/OTHER NERVE	$6,700.00
64868	FUSION OF FACIAL/OTHER NERVE	$6,700.00
64870	FUSION OF FACIAL/OTHER NERVE	$6,700.00

64872	SUBSEQUENT REPAIR OF NERVE	$531.00
64874	REPAIR, REVISE NERVE	$1,000.00
64876	REPAIR NERVE; SHORTEN BONE	$1,000.00
64885	NERVE GRAFT, HEAD OR NECK	$6,700.00
64886	NERVE GRAFT, HEAD OR NECK	$6,700.00
64890	NERVE GRAFT, HAND OR FOOT	$6,700.00
64891	NERVE GRAFT, HAND OR FOOT	$6,700.00
64892	NERVE GRAFT, ARM OR LEG	$6,700.00
64893	NERVE GRAFT, ARM OR LEG	$6,700.00
64895	NERVE GRAFT, HAND OR FOOT	$6,700.00
64896	NERVE GRAFT, HAND OR FOOT	$6,700.00
64897	NERVE GRAFT, ARM OR LEG	$6,700.00
64898	NERVE GRAFT, ARM OR LEG	$6,700.00
64901	ADDITIONAL NERVE GRAFT	$6,700.00
64902	ADDITIONAL NERVE GRAFT	$6,700.00
64905	NERVE PEDICLE TRANSFER	$6,700.00
64907	NERVE PEDICLE TRANSFER	$6,700.00
64910	NERVE REPAIR W/ NEUROGEN TUBE/GRAFT	$3,600.00
69990	USE OF OPERATING MICROSCOPE	$3.00
72291	RADIOLOGICAL SUPERVISION AND INTERPRETATION, PERCUTANEOUS VERTEBROPLASTY, VERTEBRAL	$720.00
73525	RADIOLOGIC EXAMINATION, HIP, ARTHROGRAPHY, RADIOLOGICAL SUPERVISION AND INTERPRETATION	$747.00
74420	UROGRAPHY, RETROGRADE, WITH OR WITHOUT KUB	$1,298.00
76000	FLUOROSCOPE EXAMINATION	$436.00
76942	ULTRASONIC GUIDANCE FOR NEEDLE PLACEMENT (EG, BIOPSY, ASPIRATION, INJECTION, LOCALIZATION DEVICE),	$720.00
77002	FLUOROSCOPIC GUIDANCE FOR NEEDLE PLACEMENT (EG, BIOPSY, ASPIRATION, INJECTION, LOCALIZATION	$720.00
77003	C-ARM GUIDANCE FOR PAIN INJECTION	$747.00
81025	URINE PREGNANCY TEST	$30.00
82962	GLUCOSE BLOOD TEST	$39.00
93000	ELECTROCARDIOGRAM, COMPLETE	$106.00
0232T	INJECTION(S), PLATELET RICH PLASMA, ANY SITE, INCLUDING IMAGE GUIDANCE, HARVESTING AND	$1,623.00
3319F	1 OF THE FOLLOWING DIAGNOSTIC IMAGING STUDIES ORDERED: CHEST X-RAY, CT, ULTRASOUND, MRI, PET, OR	$5,033.00
G0260	INJECTION FOR SACROILIAC JOINT ANESTHESIA	$2,272.00
G0289	ARTHROSCOPY, KNEE, SURGICAL, FOR REMOVAL OF LOOSE BODY, FOREIGN BODY, DEBRIDEMENT/SHAVING OF	$3,999.00
G8907	Patient documented not to have experienced any of the following events: a burn prior to discharge; a fall within the facility;	$.00
G8908	Patient documented to have received a burn prior to discharge	$.00
G8909	Patient documented not to have received a burn prior to discharge	$.00
G8910	Patient documented to have experienced a fall within ASC	$.00
G8911	Patient documented not to have experienced a fall within ASC	$.00
G8912	Patient documented to have experienced a wrong site, wrong side, wrong patient, wrong procedure or wrong implant event	$.00
G8913	Patient documented not to have experienced a wrong site, wrong side, wrong patient, wrong procedure or wrong implant event	$.00
G8914	Patient documented to have experienced a hospital transfer or hospital admission upon discharge from ASC	$.00
G8915	Patient documented not to have experienced a hospital transfer or hospital admission upon discharge from ASC	$.00
G8916	Patient with preoperative order for IV antibiotic surgical site infection (SSI) prophylaxis, antibiotic initiated on time	$.00
G8917	Patient with preoperative order for IV antibiotic surgical site infection (SSI) prophylaxis, antibiotic not initiated on time	$.00
G8918	Patient without preoperative order for IV antibiotic surgical site infection (SSI) prophylaxis	$.00

Palos Hills Surgery Center, LLC

August 14, 2017

Kathryn J. Olson
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson,

I hereby certify and attest to the understanding and commitment that facility charges at the ASTC will not be increased for at least the first two years of the facility's operation, unless a permit is first obtained pursuant to 77 Ill. Administrative Code 1130.310(a).

Sincerely,

Gary Kronen, M.D.
Chief Executive Officer
Palos Hills Surgery Center, LLC

Notarization:
Subscribed and sworn to before me this 14th day of August, 2017.

Signature of Notary

SEAL

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

10330 S. Roberts Road • Palos Hills, IL 60465 • Ph (708) 237-7290 • Fx (708) 237-7299

Palos Hills Surgery Center, LLC

August 14, 2017

Kathryn J. Olson
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson,

In keeping with 77 Ill. Adm. Code § 1110.1540(k) please find this letter of assurances.

Specifically, this letter certifies that Palos Hills Surgery Center, LLC attests that a peer review program exists that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

Furthermore, PHSC attests that by second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100, as demonstrated herein.

Sincerely,

Gary Kronen, M.D.
Chief Executive Officer
Palos Hills Surgery Center, LLC

Notarization:
Subscribed and sworn to before me this 14th day of August, 2017.

Stacy G. Henderon
Signature of Notary

SEAL

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

See Attachment 34-Exhibit 1 for documentation from First Midwest Bank indicating the availability of sufficient debt financing and cash for the proposed expansion and modernization project. See also Attachment 34 – Exhibit 2 for the financial statements for the last three years for PHSC, which document sufficient cash funds for the financing.

First Midwest Bank

August 14, 2016

Anton Fakhouri, M.D.
Palos Hills Surgery Center, LLC
10330 South Roberts Road, Suite 3000
Palos Hills, IL 60465

Dear Dr. Fakhouri:

It is my understanding that Palos Hills Surgery Center, LLC ("PHSC") plans to expand upon its existing ambulatory surgical treatment center ("ASTC") located at 10330 South Roberts Road, Suite 3000, Palos Hills, IL 60465. I further understand that PHSC will require loans for certain capital expenditures and equipment purchases for an amount not to exceed $5,000,000. PHSC has been a good and valuable customer of First Midwest Bank for several years. Based upon the positive business experiences from working with PHSC, and subject to the completion of requisite due diligence and credit approvals, First Midwest Bank is prepared to extend Palos Hills Surgery Center, LLC up to $5,000,000 in credit exposure to finance the ASTC expansion.

This letter is not intended to be and should not be construed as a commitment by First Midwest Bank to lend money; nevertheless, it is intended to serve as a statement of interest to engage in further discussions between PHSC and First Midwest Bank for the proposed financing opportunity and may form the basis for a discussion of various credit accommodations.

In addition, please let this letter serve as confirmation that $2,709,612.00 is available within PHSC's checking account as of August 14, 2017.

I trust that this letter is sufficient for your needs. Should you, or the Illinois Health Facilities and Services Review Board, have any questions or comments, please do not hesitate to contact me directly at (708) 576-7091.

Sincerely,

Mohammed Abunada
Vice President
First Midwest Bank

Attachment 34 Exhibit 1

Palos Hills Surgery Center LLC
Income Statement
For the Twelve Months Ending December 31, 2014

	Year to Date Actual
REVENUES	
SURGERY SERVICE	4,496,530.13
ANCILLARY SERVICE	27,341.00
GROSS REVENUES	4,523,871.13
DEDUCTIONS FROM REVENUE	
DEDUCTIONS FROM REVENUE	2,547,815.43
TOTAL DEDUCTIONS FROM REVENUE	2,547,815.43
NET OPERATING REVENUE	1,976,055.70
EXPENSES	
SALARIES	201,139.24
FRINGE BENEFITS	29,442.98
BAD DEBT EXPENSE	8,950.00
PROFESSIONAL FEES	119,717.47
SURGICAL INSTRUMENTS & SUPPLIE	142,961.98
PURCHASED SERVICES	41,874.30
ANCILLARY SERVICES	0.00
UTILITIES	15,902.14
LAND LEASE	148,848.00
REAL ESTATE TAXES	20,000.00
INSURANCE	8,196.00
DEPRECIATION	69,065.49
MARKETING	0.00
OTHER	90,590.66
TOTAL EXPENSES	896,688.26
INCOME FROM OPERATIONS	1,079,367.44
OTHER INCOME (EXPENSE)	
INTEREST INCOME	0.00
OTHER INCOME (EXPENSE)	(66,891.46)
STATE REPLACEMENT TAX	0.00
TOTAL OTHER INCOME (EXPENSE)	(66,891.46)
NET INCOME	1,012,475.98

Attachment 34 Exhibit 2

Palos Hills Surgery Center LLC
Balance Sheet
December 31, 2014

ASSETS

Current Assets		
CASH OPERATING- STANDARD BANK	139,230	
CASH ANESTHESIA	15,390	
ACCOUNTS RECEIVABLE	1,624,130	
INVENTORY - PHARMACY	7,980	
INVENTORY - MEDICAL SUPPLIES	26,725	
PREPAID INSURANCE	2,983	
PREPAID MAINTENANCE CONTRACTS	1,933	
PREPAID OTHER EXPENSES	46,686	
DEPOSITS - GENERAL	37,212	
Total Current Assets		1,902,269
Property and Equipment		
BUILDINGS	1,389,489	
EQUIPMENT/FURNITURE AND FIXTUR	384,663	
INSTRUMENTS	16,345	
ACCUMULATED DEPRECIATION	(69,065)	
Total Property and Equipment		1,721,431
Other Assets		
START UP EXPENSES	104,651	
Total Other Assets		104,651
Total Assets		3,728,351

Palos Hills Surgery Center LLC
Balance Sheet
December 31, 2014

LIABILITIES AND CAPITAL		
Current Liabilities		
VENDOR ACCOUNTS PAYABLE	68,702	
ACCOUNTS PAYABLE - ANESTHESIA	15,390	
UNVOUCHERED ACCOUNTS PAYABLE	2,292	
DUE TO/FR MCDS	4,406	
DUE TO/FR MSMG	26,469	
DUE TO/FRM TWSC	57	
DUE TO MIDAMERICA ORTHOPAEDIC	2,227	
PAYROLL WITHHOLDING-FICA	872	
ACCRUED PAYROLL LIABILITY	5,394	
ACCRUED VACATION PAY - OFFICE	105	
ACCRUED VACATION PAY - NURSE	1,657	
ACCRUED BENEFITS-FED UNEMPLOYM	243	
ACCRUED BENEFITS-STATE UNEMPLO	2,431	
ACCRUED REAL ESTATE TAXES	20,000	
BLUE CROSS DUE - CURRENT YEAR	776,079	
LOAN-GENERAL STARTUP-03	416,118	
CURRENT PORTION NOTE PAYABLE	130,585	
Total Current Liabilities		1,473,025
Long-Term Liabilities		
NOTES PAYABLE	1,242,850	
Total Long-Term Liabilities		1,242,850
Total Liabilities		2,715,875
Capital		
Net Income	1,012,476	
Total Capital		1,012,476
Total Liabilities & Capital		3,728,351

Palos Hills Surgery Center LLC
Income Statement
For the Twelve Months Ending December 31, 2015

	Year to Date Actual
REVENUES	
SURGERY SERVICE	13,557,578.40
ANCILLARY SERVICE	210,543.00
GROSS REVENUES	13,768,121.40
DEDUCTIONS FROM REVENUE	
DEDUCTIONS FROM REVENUE	8,512,009.18
TOTAL DEDUCTIONS FROM REVENUE	8,512,009.18
NET OPERATING REVENUE	5,256,112.22
EXPENSES	
SALARIES	738,900.93
FRINGE BENEFITS	125,999.49
BAD DEBT EXPENSE	83,313.41
PROFESSIONAL FEES	397,667.19
SURGICAL INSTRUMENTS & SUPPLIE	582,477.59
PURCHASED SERVICES	107,129.42
ANCILLARY SERVICES	13.56
UTILITIES	36,478.20
LAND LEASE	297,696.00
REAL ESTATE TAXES	71,400.00
INSURANCE	14,524.64
DEPRECIATION	167,359.48
MARKETING	2,727.00
OTHER	110,945.50
TOTAL EXPENSES	2,736,632.41
INCOME FROM OPERATIONS	2,519,479.81
OTHER INCOME (EXPENSE)	
INTEREST INCOME	0.00
OTHER INCOME (EXPENSE)	(39,883.67)
STATE REPLACEMENT TAX	(129.00)
TOTAL OTHER INCOME (EXPENSE)	(40,012.67)
NET INCOME	2,479,467.14

Palos Hills Surgery Center LLC
Income Statement
For the Twelve Months Ending December 31, 2016

	Year to Date Actual
REVENUES	
SURGERY SERVICE	17,760,937.38
ANCILLARY SERVICE	482,308.00
GROSS REVENUES	18,243,245.38
DEDUCTIONS FROM REVENUE	
DEDUCTIONS FROM REVENUE	11,422,112.59
TOTAL DEDUCTIONS FROM REVENUE	11,422,112.59
NET OPERATING REVENUE	6,821,132.79
EXPENSES	
SALARIES	903,188.84
FRINGE BENEFITS	182,153.75
BAD DEBT EXPENSE	122,802.53
PROFESSIONAL FEES	394,310.50
SURGICAL INSTRUMENTS & SUPPLIE	660,121.68
PURCHASED SERVICES	117,728.09
ANCILLARY SERVICES	136.00
UTILITIES	30,596.75
LAND LEASE	303,649.92
REAL ESTATE TAXES	49,017.00
INSURANCE	21,029.76
DEPRECIATION	192,283.14
MARKETING	550.00
OTHER	114,418.47
TOTAL EXPENSES	3,091,986.43
INCOME FROM OPERATIONS	3,729,146.36
OTHER INCOME (EXPENSE)	
INTEREST INCOME	0.00
OTHER INCOME (EXPENSE)	(34,600.62)
STATE REPLACEMENT TAX	(54,758.00)
TOTAL OTHER INCOME (EXPENSE)	(89,358.62)
NET INCOME	3,639,787.74

Attachment 34 Exhibit 2

Palos Hills Surgery Center LLC
Balance Sheet
December 31, 2016

	DECEMBER 2016	DECEMBER 2015
ASSETS		
CURRENT ASSETS		
CASH	2,410,132	1,574,167
ACCOUNTS RECEIVABLE	2,631,997	1,975,727
INVENTORY	34,705	34,705
PREPAID EXPENSES	39,505	48,676
TOTAL CURRENT ASSETS	5,116,340	3,633,275
PROPERTY AND EQUIPMENT		
BUILDING	1,389,489	1,389,489
BUILDING IMPROVEMENTS	7,436	0
EQUIPMENT/FURNITURE/INSTRUMENT	647,516	555,929
TOTAL PROPERTY AND EQUIPMENT	2,044,440	1,945,418
LESS ACCUMULATED DEPRECIATION	(428,708)	(236,425)
NET PROPERTY AND EQUIPMENT	1,615,732	1,708,993
OTHER ASSETS		
SECURITY DEPOSIT	37,212	37,212
START UP EXPENSES	130,377	130,377
TOTAL OTHER ASSETS	167,589	167,589
TOTAL ASSETS	6,899,660	5,509,856
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITES		
ACCOUNTS PAYABLE	763,823	549,341
ACCRUED SALARIES/FRINGE BENEFI	56,447	26,946
ACCRUED REAL ESTATE TAXES	50,001	46,601
OTHER ACCRUED LIABILITIES	1,008,027	826,822
CURRENT PORTION NOTES PAYABLE	135,610	135,610
TOTAL CURRENT LIABILITIES	2,013,908	1,585,319
LONG-TERM LIABILITIES		
NOTES PAYABLE	984,021	1,107,594
TOTAL LONG-TERM LIABILITIES	984,021	1,107,594
TOTAL LIABILITIES	2,997,930	2,692,913
MEMBERS' EQUITY		
Beginning Equity	2,816,943	1,012,476
Partners' Distributions	(2,555,000)	(675,000)
NET INCOME	3,639,788	2,479,467
TOTAL MEMBERS' EQUITY	3,901,731	2,816,943
TOTAL LIABILITIES AND MEMBERS' EQUIT	6,899,660	5,509,856

Attachment 34 Exhibit 2

Section IX, Financial Feasibility

Criterion 1120.130(a) – Financial Viability Waiver

Please find in the tables below viability ratios for Palos Hills Surgery Center, LLC. The ratios contained therein are calculated in accordance with the requirements of Section 1120, Appendix A and are based on the information contained in PHSC's financial statements.

Standards

The applicant that is responsible for funding the project must provide viability ratios. The standards for these ratios are contained in Section 1120. APPENDIX A. This appendix lists the standards for the various viability ratios based on type of provider.

This project involves expansion of an existing Ambulatory Surgical Treatment Center, as such the applicable standards indicated in Appendix A have been applied.

Meeting the Standards

To judge whether or not those standards have been met, the applicants used the viability ratios for Palos Hills Surgery Center, LLC, who shall be providing all of the funding for the proposed project.

Financial Viability Ratios

Viability Ratio Calculations: Current Ratio

Current Assets/Current Liabilities

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≥1.5	1.29	2.29	2.54	*2.82*	Yes

Palos Hills Surgery Center is able to meet the standard for Current Ratio. Please note the Applicant experienced artificially lower surgical volumes and reimbursement in 2014 due to both (1) the fact that cases did not begin until the mid-point of the year and (2) commercial contracts were not finalized until December of 2014. Despite these limitations on revenue, the entity's ratio only fell 0.21 short the State standard in 2014.

Viability Ratio Calculations: Net Margin Percentage

(Net Income/Net Operating Revenues) X 100

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≥3.5%	51%	47%	53%	*60%*	Yes

Palos Hills Surgery Center is able to meet the standard for Net Margin Percentage.

Viability Ratio Calculations: Long Term Debt to Capitalization

(Long-Term Debt/Long-Term Debt plus Net Assets) X 100

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≤80%	25%	17%	12%	*9%*	Yes

Palos Hills Surgery Center is able to meet the standard for Percent Debt to Total Capitalization.

Viability Ratio Calculations: Projected Debt Service Coverage

Net Income plus (Depreciation plus Interest plus Amortization)/Principal Payments plus Interest Expense for the Year of Maximum Debt Service after Project Completion

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≥1.75	2.0	19.5	28.3	*41.0*	Yes

Palos Hills Surgery Center is able to meet the standard for Projected Debt Service Coverage.

Viability Ratio Calculations: Days Cash on Hand

(Cash plus Investments plus Board Designated Funds)/(Operating Expense less Depreciation Expense)/365 days

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≥45 days	57	224	303	*365*	Yes

Palos Hills Surgery Center is able to meet the standard for Days Cash on Hand

Viability Ratio Calculations: Cushion Ratio

(Cash plus Investments plus Board Designated Funds)/(Principal Payments plus Interest Expense) for the year of maximum debt service after project completion.

State Standard	2014	2015	2016	1st year of operations	Met Standard?
≥3.0	0.3	11.6	17.8	*27.2*	Yes

Palos Hills Surgery Center is able to meet the standard for Cushion Ratio.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

A. Reasonableness of Financing Arrangements:

See Attachment 37-Exhibit 1 for a signed, notarized statement from a representative of Palos Hills Surgery Center LLC that (1) borrowing is less costly than the liquidation of existing investments and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period and (2) that the selected form of debt financing for the project will be at the lowest net cost available.

B. Conditions of Debt Financing

See Attachment 37-Exhibit 1 for a signed, notarized statement from a representative of PHSC that (1) borrowing is less costly than the liquidation of existing investments and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period and (2) that the selected form of debt financing for the project will be at the lowest net cost available.

C. Reasonableness of Project and Related Costs

Per the below tables, the applicant has met the project costs standards established by the state.

Table 1120.310(c)			
	Application	State Standard	Above/Below State Standard
New Construction & Contingencies	$2,210,121.40	$410.06 x 5,519 GSF = $2,263,121.14	Below State Standard
Modernization Construction	$213,176	$272.81 x 810 GSF = $220,976.10	Below State Standard
Equipment Per OR	$458,494.09	$461,631	Below State Standard
Contingencies	$50,000	10-15% x $2,423,297.50 = $242,329.75 - $363,494.63	Below State Standard
A/E Fees	$235,800	10.35% - 10.54% x $2,210,121.40 + $213,176.10 + $50,000 = $255,986.29 - $260,685.56	Below State Standard
Site Survey + Site Prep	$122,564.82	5% * $2,473,297.50 = $123,664.88	Below State Standard
Pre-planning	$60,985	$61,025.14	Below State Standard

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department	A	B	C	D	E	F	G	H	TOTAL COST (G + H)
	Cost/ Sq. Ft.* New	Cost/ Sq. Ft.* Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.	Const. $ (A x C)	Mod. $ (B x E)	
Clinical	$ 400.46	$ 263.18	5,519	N/A	810	N/A	$ 2,210,121.40	$ 213,176.10	$ 2,423,297.50
Contingency-Clinical	$ 8.26	$ 5.43	5,519	N/A	810	N/A	$ 45,601.53	$ 4,398.47	$ 50,000.00
Clinical Sub-total	$ 408.72	$ 268.61	5,519	$0.00	810	$0.00	$ 2,255,722.93	$ 217,574.57	$ 2,473,297.50
Non-Clinical	$ 465.56	N/A	1666	N/A	0	N/A	$ 775,630.00	N/A	$ 775,630.00
Contingency-Non-Clinical	$ 6.83	N/A	1666	N/A	0	N/A	$ 11,386.14	N/A	$ 11,386.14
Non-Clinical Sub-total	$ 472.40	N/A	1,666	N/A	N/A	N/A	$ 787,016.14	N/A	$ 787,016.14
Total			**7,185**				**$ 3,042,739.07**	**$ 216,876.10**	**$ 3,260,313.64**

D. Projected Operating Costs

OPERATING COSTS	
ASTC	$ 2,314,499

TOTAL	$ 2,314,499

Total Patient Treatments = 3,980
Operating Cost/Visit = $581.53

E. Total Effect of the Project on Capital Costs for Year One

CAPITAL COSTS	
Amortization	$ 161,429.42
Depreciation	$ 130,998.31
TOTAL	$ 292,427.73

Total Patient Treatments = 3,980
Capital Cost/Visit = $73.47

Palos Hills Surgery Center, LLC

August 14, 2017

Kathryn J. Olson
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson,

I hereby attest that, for the Palos Hills Surgery Center, LLC expansion project, borrowing is less costly than the liquidation of existing investments and that the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

Furthermore, I certify that, as this project will require debt financing, the selected form of debt financing will be at the lowest net cost available.

Sincerely,

Gary Kronen, M.D.
Chief Executive Officer
Palos Hills Surgery Center, LLC

Notarization:
Subscribed and sworn to before me this 14th day of August, 2017.

Stacy G. Henderon

OFFICIAL SEAL
STACY G HENORON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

10330 S. Roberts Road • Palos Hills, IL 60465 • Ph (708) 237-7290 • Fx (708) 237-7299

Section XII, Charity Care Information

The table below contain the relevant charity care information for Palos Hills Surgery Center, LLC

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	**$1,102,476.00**	**$2,479,467.00**	**$3,639,788.00**
Amount of Charity Care (Number of Patients)	6	11	0
Amount of Charity Care (Charges in Dollars)	$35,561.00	$96,483.00	$0.00
Cost of Charity Care (in Dollars)	$8,890.00	$24,121.00	$0.00
Ratio of Charity Care to Net Patient Revenue	1%	1%	

Appendix I – Physician Referral Letter

Attached as Appendix 1 are the letters from each physician projecting that 6,315 patients will be referred to the ASTC within 12 to 24 months of project completion.

MidAmerica Orthopaedics
"A Center of Excellence"

Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in orthopedic surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred four-hundred twenty-six (426) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 256 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Sarkis Bedikian
10330 S. Roberts Rd. STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this

15th day of August 2017

Stacy G. Hendron
Notary Public

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name	Bediklan

Referred Location - Patient Origin Zip	Sum of Count
Advocate Christ Hospital	**179**
46303	1
46321	1
46324	1
46373	2
60046	2
60406	1
60409	4
60411	2
60415	4
60417	2
60419	5
60423	2
60425	2
60430	2
60438	1
60439	3
60441	1
60443	2
60445	6
60446	1
60448	1
60449	3
60452	2
60453	14
60455	6
60456	1
60457	3
60458	1
60459	4
60462	8
60464	2
60465	8
60467	2
60471	1
60475	1
60477	2
60478	1
60482	3
60487	5
60491	3
60523	1
60561	1
60607	2
60616	2
60617	3
60619	2
60620	7

60628	2
60629	6
60632	2
60633	1
60636	2
60638	3
60643	5
60652	9
60653	1
60655	1
60661	1
60803	5
60805	6
60950	1
Advocate South Suburban Hosptial	**174**
46311	1
46319	1
46324	1
60107	1
60408	1
60409	4
60411	13
60412	1
60417	3
60419	4
60422	2
60423	7
60425	1
60426	11
60428	6
60429	2
60430	8
60435	1
60438	2
60439	1
60441	1
60443	16
60445	2
60448	7
60449	1
60451	2
60452	1
60453	2
60461	1
60462	4
60464	6
60465	2
60466	7
60467	1
60468	1
60472	3
60473	10

60475	2
60476	2
60477	12
60478	5
60484	1
60487	5
60525	2
60617	1
60620	1
60628	1
60636	1
60637	2
60803	1
Franciscan St. James Olympia Fields	**10**
60411	4
60448	1
60468	1
60475	1
60477	1
60617	1
60637	1
Palos Hills Surgery Center,LLC	**56**
46307	1
60101	1
60406	1
60415	4
60417	1
60419	1
60423	5
60438	2
60443	3
60448	3
60453	8
60457	1
60458	1
60462	5
60465	4
60466	1
60471	1
60477	3
60482	1
60487	3
60586	1
60617	1
60643	1
60652	1
60654	1
60805	1
St James Hospital	**7**
60411	2
60417	1
60443	1

60473	1
60617	1
60637	1
Grand Total	**426**

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Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in orthopedic pain management, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred four-hundred eighty-nine (489) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 489 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. George Charuk
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this
15th day of August 2017
Stacy G. Hendron
Notary Public

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name Charuk

Referred Location -

Patient Origin Zip	Sum of Count
Advocate Christ Hospital	**38**
46319	1
60409	2
60417	2
60423	1
60425	1
60439	2
60441	2
60443	1
60445	1
60448	2
60452	1
60459	3
60462	2
60465	2
60467	2
60477	1
60482	2
60487	1
60490	1
60544	1
60586	1
60628	1
60643	2
60652	1
60655	1
60941	1
Ingalls Same Day Surgery	**23**
60406	3
60422	1
60425	1
60433	1
60445	1
60449	2
60451	1
60452	2
60461	1
60462	2
60463	1
60466	1
60473	1
60475	2
60476	3
Palos Hills Surgery Center,LLC	**418**
60101	1
60302	2
60402	5
60406	3

60409	6
60411	7
60415	3
60417	3
60419	3
60422	4
60423	17
60425	2
60426	3
60428	2
60429	1
60430	5
60432	2
60433	2
60438	5
60440	2
60441	8
60443	9
60445	11
60447	1
60448	9
60449	9
60451	5
60452	7
60453	24
60455	5
60457	6
60458	2
60459	9
60461	2
60462	29
60463	6
60464	2
60465	21
60466	1
60467	15
60473	5
60475	6
60477	22
60482	7
60484	3
60487	16
60491	7
60501	2
60521	1
60527	4
60541	2
60544	2
60617	3
60619	2
60620	4
60622	3

60628	10
60629	2
60637	2
60638	3
60642	3
60643	10
60652	3
60655	22
60803	6
60805	7
60950	1
(blank)	1
Tinley Woods Surgery Center	**10**
60411	1
60430	1
60442	1
60462	1
60467	1
60473	2
60477	1
60484	1
60901	1
Grand Total	**489**

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Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in orthopedic surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred one-thousand two-hundred forty-one (1,241) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 1,200 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Anton J. Fakhouri
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this 15th day of August 2017

Stacy G. Hendron
Notary Public

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name	Fakhouri

Referred Location - Patient Origin Zip	Sum of Count
Advocate Christ Hospital	**302**
46312	1
46342	1
46368	1
46375	1
46383	1
46410	1
60178	2
60193	1
60406	3
60409	2
60411	3
60415	5
60417	3
60419	1
60423	7
60425	1
60426	2
60429	4
60430	4
60435	1
60438	1
60439	3
60440	2
60441	4
60443	3
60445	5
60446	2
60447	1
60448	4
60449	1
60451	2
60452	10
60453	24
60455	3
60456	1
60457	1
60459	14
60461	2
60462	9
60463	2
60464	1
60465	4
60466	4
60467	4
60469	1
60471	3
60473	4

60477	10
60478	1
60481	1
60482	4
60487	15
60490	1
60491	7
60516	1
60527	4
60558	1
60609	2
60610	1
60615	1
60617	4
60619	4
60620	4
60621	1
60623	2
60628	6
60629	8
60632	2
60636	2
60638	6
60643	12
60649	1
60652	7
60653	1
60655	12
60803	12
60805	8
77665	1
Palos Hills Surgery Center,LLC	**924**
46307	1
46312	1
46319	1
46320	2
46322	2
46341	11
46342	1
46373	1
46375	5
46385	2
46410	2
46534	1
49045	1
52001	1
60091	1
60101	1
60139	1
60153	1
60401	5
60402	2

60403	2
60404	1
60406	7
60409	2
60410	1
60411	5
60415	10
60417	4
60419	5
60420	1
60421	1
60422	6
60423	37
60425	5
60426	2
60428	2
60429	1
60430	6
60431	2
60432	1
60433	1
60435	3
60439	4
60441	9
60442	5
60443	4
60445	20
60446	2
60447	5
60448	23
60449	8
60451	28
60452	29
60453	93
60455	4
60456	2
60457	22
60458	2
60459	31
60461	1
60462	32
60463	23
60464	23
60465	15
60466	9
60467	27
60468	1
60471	3
60475	2
60476	2
60477	39
60478	3

60480	2
60482	15
60484	5
60487	22
60491	19
60501	1
60513	2
60516	2
60517	2
60523	1
60526	1
60527	6
60544	3
60558	2
60559	2
60561	3
60605	4
60608	2
60613	1
60616	1
60617	4
60619	2
60620	4
60623	1
60624	1
60628	6
60629	14
60632	4
60638	18
60641	1
60643	19
60646	2
60649	2
60652	21
60655	51
60656	1
60707	3
60803	22
60804	1
60805	20
60827	5
60901	2
60950	3
62884	1
(blank)	1
Tinley Woods Surgery Center	**15**
46342	1
60409	1
60453	1
60455	1
60459	1
60462	1

60467	1
60477	2
60478	1
60629	2
60652	1
60655	1
60803	1
Grand Total	**1241**

MidAmerica Orthopaedics
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Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
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Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in neurosurgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred sixty-five (65) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 65 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Kevin Jackson
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this 15th day of August 2017

Stacy G. Hendron
Notary Public

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name	Jackson

Referred Location - Patient Origin Zip	Sum of Count
Advocate Good Samaritan	**23**
60126	1
60139	1
60411	1
60423	1
60431	1
60432	1
60452	2
60453	1
60455	1
60462	2
60463	1
60465	1
60467	1
60477	1
60487	4
60491	1
60506	1
60638	1
Advocate South Suburban Hosptial	**23**
46341	1
60409	2
60417	1
60425	1
60443	1
60445	1
60451	1
60452	2
60462	1
60466	1
60467	1
60471	1
60473	1
60477	1
60478	1
60544	1
60652	1
60805	1
60827	1
60901	1
60941	1
Advocate Trinity Hospital	**2**
60455	1
60619	1
Little Company of Mary Hospital	**17**
60443	1
60453	2
60456	1

60459	1
60477	1
60620	1
60626	1
60628	1
60629	3
60638	1
60655	1
60803	1
60805	2
Grand Total	**65**

MidAmerica Orthopaedics
"A Center of Excellence"

Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in plastic surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred one-thousand eight-hundred (1,800) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 1,400 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Gary Kronen
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this
14th day of August 2017
Stacy G. Hendron
Notary Public

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name	Kronen

Referred Location - Patient Origin Zip	Sum of Count
Advocate Christ Hospital	**575**
37121	1
46304	5
46310	3
46312	1
46319	1
46324	1
46327	4
46342	1
46360	1
46368	3
46408	1
46409	1
46410	5
48854	1
60131	2
60191	1
60302	1
60406	6
60408	2
60409	2
60411	11
60415	6
60417	4
60419	1
60422	1
60423	17
60425	3
60426	2
60428	2
60429	4
60431	3
60432	1
60433	2
60435	3
60438	3
60439	2
60441	4
60442	5
60443	10
60445	11
60446	6
60448	9
60449	2
60451	14
60452	17
60453	37
60455	12

60456	8
60457	14
60458	6
60459	10
60462	5
60463	6
60464	5
60465	15
60466	7
60467	11
60468	3
60469	2
60471	2
60472	2
60473	8
60475	4
60476	1
60477	11
60478	2
60482	10
60484	2
60487	6
60491	5
60501	1
60544	1
60607	1
60608	5
60609	2
60613	2
60615	2
60617	3
60619	6
60620	15
60621	1
60628	14
60629	13
60632	4
60633	3
60636	2
60637	4
60638	19
60643	15
60649	10
60652	20
60655	12
60659	1
60803	22
60804	5
60805	7
60827	1
60940	2
60950	2

Franciscan St. James Olympia Fields	**29**
46356	1
60411	4
60417	4
60426	1
60429	1
60438	1
60452	1
60462	1
60466	6
60471	1
60475	2
60478	3
60484	1
60617	1
60940	1
Palos Hills Surgery Center,LLC	**1183**
32765	2
37121	1
46303	1
46307	1
46310	3
46311	1
46320	1
46321	1
46322	1
46324	2
46327	3
46341	1
46342	3
46360	3
46375	9
46385	1
46403	1
46405	1
46410	7
46637	1
60016	1
60095	1
60101	1
60119	3
60126	2
60133	1
60160	1
60164	4
60165	2
60172	3
60401	3
60403	3
60404	3
60406	12
60409	8

60411	21
60415	6
60417	15
60419	9
60421	2
60422	3
60423	44
60425	12
60426	5
60428	10
60429	8
60430	11
60431	5
60432	1
60433	3
60438	8
60439	6
60440	2
60441	16
60442	5
60443	15
60445	31
60446	2
60447	1
60448	48
60449	10
60451	21
60452	29
60453	58
60455	16
60456	2
60457	11
60458	6
60459	19
60461	3
60462	47
60463	14
60464	7
60465	23
60466	26
60467	37
60468	3
60469	2
60471	9
60472	2
60473	6
60475	4
60476	3
60477	34
60478	10
60480	1
60482	8

60484	5
60487	20
60491	11
60499	2
60501	1
60513	2
60525	7
60527	1
60534	2
60544	2
60559	1
60586	3
60602	1
60608	1
60609	8
60610	2
60615	6
60616	1
60617	8
60619	10
60620	18
60621	3
60623	2
60626	1
60628	11
60629	29
60632	6
60633	5
60636	4
60638	23
60642	2
60643	16
60645	1
60649	10
60652	39
60655	33
60803	37
60804	10
60805	15
60827	5
60901	2
60914	1
60915	2
60950	8
60954	1
61054	3
61341	2
61769	3
71909	1
604731229	1
(blank)	3
Silver Cross Hospital	**5**

60431	2
60467	1
60468	1
60491	1
St James Hospital	**4**
60411	1
60423	1
60466	2
Tinley Woods Surgery Center	**4**
60411	1
60477	1
60950	1
61350	1
Grand Total	**1800**

MidAmerica Orthopaedics
"A Center of Excellence"

Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in orthopedic surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred two-hundred eighty-eight (288) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 200 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Adam Meisel
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this
15th day of August 2017

OFFICIAL SEAL
STACY G HENDRON
Notary Public - State of Illinois
My Commission Expires May 13, 2018

Billing Provider Last Name	Meisel

Referred Location - Patient Origin Zip	Sum of Count
Advocate Christ Hospital	**169**
13088	1
46312	3
46321	1
46342	1
46350	1
60302	1
60409	3
60411	6
60415	1
60419	4
60423	9
60428	2
60429	4
60430	2
60438	1
60442	1
60445	3
60447	1
60448	1
60451	1
60452	2
60453	9
60455	2
60458	3
60459	2
60461	2
60462	4
60463	1
60464	1
60465	2
60466	4
60467	6
60468	1
60473	3
60475	1
60476	1
60477	7
60487	3
60491	6
60544	2
60561	1
60563	1
60607	1
60608	1
60613	1
60617	3
60619	2

60620	3
60624	1
60628	6
60629	4
60632	3
60633	1
60636	3
60638	2
60643	1
60652	3
60653	2
60655	4
60803	5
60805	8
60914	1
66611	2
(blank)	1
Little Company of Mary Hospital	**7**
60409	1
60411	1
60445	1
60621	1
60629	2
60652	1
Palos Hills Surgery Center,LLC	**112**
6465	1
12789	1
35238	1
46311	1
60406	1
60409	1
60415	2
60419	1
60422	1
60423	4
60425	1
60429	3
60430	1
60432	1
60435	1
60442	2
60443	2
60445	3
60448	5
60449	2
60451	2
60452	4
60453	3
60457	3
60458	2
60459	4
60461	1

60462	6
60463	1
60464	2
60465	3
60467	4
60468	1
60471	1
60473	2
60476	1
60477	7
60482	1
60487	3
60491	1
60501	1
60514	2
60525	1
60527	1
60586	3
60617	1
60619	3
60620	1
60621	1
60629	3
60633	1
60647	1
60655	3
60950	1
60954	1
61360	1
Grand Total	**288**

MidAmerica Orthopaedics
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Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

8/18/2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in orthopedic surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months (ending on May 31, 2017), I have referred three-hundred and seventy (370) patients to an IDPH-licensed facility where the patient received treatment. The attached tables list the zip codes of residence for these patients and the facilities to which I referred patients.

I anticipate that I will refer 370 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Prasad Gourineni
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this

_____ day of _____ 2017

_____
Notary Public

Billing Provider Last Name GOURINENI

Referred Location-

Patient Origin Zip	Sum of Count
ADVOCATE CHRIST HOSPITAL I/P	**341**
46310	1
46319	1
46321	2
46327	1
46342	2
46350	1
46360	1
46375	1
46409	1
46410	1
60014	1
60016	1
60019	1
60045	1
60046	4
60047	1
60056	1
60077	1
60101	1
60156	1
60181	1
60188	1
60189	1
60406	9
60409	4
60410	1
60415	5
60416	1
60417	2
60419	2
60422	1
60423	7
60425	2
60426	2
60428	2
60429	2
60430	4
60431	1
60432	3
60435	4
60436	1
60438	1

60439	1
60440	3
60441	4
60443	1
60445	6
60446	1
60447	6
60450	2
60451	1
60452	3
60453	11
60455	6
60456	1
60457	5
60459	8
60462	10
60463	1
60464	1
60465	4
60466	3
60467	1
60468	1
60469	1
60471	1
60473	2
60475	3
60477	8
60478	4
60481	1
60482	3
60487	2
60491	1
60505	2
60517	1
60527	4
60538	1
60543	1
60544	1
60546	1
60551	1
60561	1
60564	1
60586	1
60608	2
60609	5
60617	5
60618	2

60619	4
60620	13
60623	1
60625	1
60628	7
60629	18
60632	9
60633	2
60636	3
60637	1
60638	6
60641	1
60643	5
60644	1
60647	2
60649	1
60651	1
60652	8
60653	1
60655	5
60803	4
60805	9
60827	6
60950	2
60964	1
61341	2
61350	3
61364	1
61820	1
62526	2
62703	1
64609	1
(blank)	1
ADVOCATE CHRIST HOSPITAL O/P	**10**
60126	1
60451	1
60453	1
60459	1
60472	1
60473	1
60506	1
60538	1
60605	1
60643	1
GOODHOSPITAL SAM	**1**
60615	1
HINSDALE HOSPITAL	**3**

60404	1
60527	2
LURIE CHILDREN HOSPITAL IH	**12**
60046	1
60123	1
60426	1
60432	1
60433	1
60435	1
60452	1
60456	1
60478	1
60517	1
60542	1
60565	1
LURIE CHILDREN HOSPITAL OH	**3**
60525	1
60617	1
60628	1
Grand Total	**370**

MidAmerica Orthopaedics

"A Center of Excellence"

Anton J. Fakhouri, MD, FACS, FICS • Gary A. Kronen, MD • Beverlee A. Brisbin, MD • Adam F. Meisel, MD
Sarkis M. Bedikian, D.O. • George E. Charuk, D.O. • Kevin M. Jackson, MD • Prasad Gourineni, MD • Chris Chapman, D.O.
Jeremy T. Bell, PA-C • Kelly J. Hermann, PA-C • Chris Koenig, PA-C • Kristen Veldman, PA-C

August 14, 2017

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nct Floor
Springfield, IL 62761

Dear Ms. Olson,

I am a physician specializing in plastic hand surgery, I support the proposal to expand the ambulatory surgical treatment center (ASTC) located at 10330 South Roberts Road, Suite 3000, Palos Hills, 60465, known as the Palos Hills Surgery Center.

Over the past 12 months, I have performed 66 surgeries for patients within Texas. I am joining the MidAmerica Orthopaedics practice in November of 2017. Based on the current patient base and practice growth at MidAmerica Orthopedics, I anticipate that I will refer 250 patients to the Palos Hills Surgery Center in each of the two years following completion of the ASTC expansion.

These referral counts have not been used to support another pending or approved permit application for any other licensed hospital or ASTC for the subject services.

Sincerely,

Dr. Amit Patel
10330 S. Roberts Rd.
STE 3000
Palos Hills, IL 60465

Subscribed and Sworn to before me this
15th day of August 2017

Notary Public

LOURDES LUCIO
My Notary ID # 7170866
Expires May 3, 2021

Appendix 2 – Historical Referrals

Attached as Appendix 2 are historical 2 years of referrals to other area ASTCs and Hospitals.

Physician-Referred to Location-Patient Origin Zip	Sum of count
Bedikian	**725**
Advocate Christ Hospital	**457**
46303	1
46307	2
46320	1
46321	1
46324	1
46342	2
46373	4
46385	1
46406	2
46407	2
47978	1
60046	2
60173	1
60401	1
60406	2
60409	5
60411	9
60415	10
60417	7
60419	9
60421	1
60422	2
60423	5
60425	5
60426	1
60428	1
60429	6
60430	5
60435	1
60438	4
60439	4
60441	2
60443	7
60445	18
60446	3
60448	5
60449	3
60451	4
60452	7
60453	22
60455	10
60456	2
60457	7
60458	2
60459	14

60462	20
60463	1
60464	4
60465	12
60466	8
60467	3
60469	1
60471	2
60472	1
60473	1
60475	1
60477	6
60478	4
60479	1
60480	1
60482	9
60487	11
60491	3
60499	1
60516	1
60523	1
60525	1
60561	3
60563	2
60607	2
60609	1
60616	2
60617	8
60619	6
60620	15
60628	9
60629	11
60632	4
60633	3
60636	5
60638	11
60643	17
60644	1
60645	1
60649	6
60651	2
60652	15
60653	4
60655	4
60661	1
60803	11
60805	7
60827	2
60950	1
61764	1
61928	1
61938	1

(blank)	2
Advocate South Suburban Hosptial	**245**
46311	3
46319	1
46321	1
46324	1
60107	1
60194	1
60401	1
60408	1
60409	4
60411	18
60412	1
60417	3
60419	5
60422	2
60423	7
60425	4
60426	13
60428	9
60429	4
60430	13
60435	1
60438	3
60439	1
60440	1
60441	2
60443	23
60445	3
60448	8
60449	1
60451	2
60452	2
60453	2
60461	3
60462	5
60464	6
60465	2
60466	8
60467	1
60468	1
60472	4
60473	13
60475	5
60476	4
60477	16
60478	11
60484	1
60487	6
60525	2
60617	2
60620	1

60628	2
60636	1
60637	2
60643	3
60803	1
60805	1
60827	1
(blank)	1
Franciscan St. James Olympia Fields	**16**
60401	1
60411	5
60443	1
60448	1
60466	1
60468	1
60475	1
60477	1
60487	2
60617	1
60637	1
St James Hospital	**7**
60411	2
60417	1
60443	1
60473	1
60617	1
60637	1
Charuk	**71**
Advocate Christ Hospital	**38**
46319	1
60409	2
60417	2
60423	1
60425	1
60439	2
60441	2
60443	1
60445	1
60448	2
60452	1
60459	3
60462	2
60465	2
60467	2
60477	1
60482	2
60487	1
60490	1
60544	1
60586	1
60628	1
60643	2

60652	1
60655	1
60941	1
Ingalls Same Day Surgery	**23**
60406	3
60422	1
60425	1
60433	1
60445	1
60449	2
60451	1
60452	2
60461	1
60462	2
60463	1
60466	1
60473	1
60475	2
60476	3
Tinley Woods Surgery Center	**10**
60411	1
60430	1
60442	1
60462	1
60467	1
60473	2
60477	1
60484	1
60901	1
Fakhouri	**658**
Advocate Christ Hospital	**614**
46312	1
46320	1
46342	2
46368	1
46375	1
46383	1
46394	1
46406	2
46408	1
46410	1
46957	3
47960	2
60178	2
60193	1
60401	2
60406	4
60408	2
60409	9
60411	6
60415	10
60417	4

60419	4
60422	1
60423	10
60425	2
60426	4
60429	7
60430	9
60433	2
60435	1
60436	1
60438	4
60439	5
60440	2
60441	8
60442	2
60443	5
60445	16
60446	2
60447	1
60448	7
60449	5
60451	4
60452	16
60453	49
60455	11
60456	1
60457	5
60458	2
60459	25
60461	2
60462	18
60463	2
60464	1
60465	16
60466	8
60467	7
60468	1
60469	2
60471	6
60473	6
60476	1
60477	22
60478	8
60481	2
60482	5
60487	21
60490	1
60491	12
60516	2
60525	1
60527	4
60558	1

60585	1
60605	1
60609	4
60610	1
60615	1
60617	12
60618	1
60619	6
60620	10
60621	5
60623	2
60628	11
60629	16
60632	3
60636	3
60638	12
60643	20
60649	1
60652	18
60653	1
60655	33
60803	16
60805	16
60827	1
61560	1
77665	1
Silver Cross Hospital	**1**
61350	1
Tinley Woods Surgery Center	**43**
46342	1
60409	1
60422	1
60423	1
60430	1
60443	1
60445	1
60448	2
60453	3
60455	2
60457	1
60459	2
60462	2
60463	1
60465	1
60467	4
60477	4
60478	2
60491	1
60585	1
60629	3
60638	1
60652	1

60655	2
60803	2
(blank)	1
GOURINENI	**751**
ADVOCATE CHRIST HOSPITAL I/P	**681**
33993	1
42101	1
46303	2
46304	1
46310	1
46319	4
46320	1
46321	2
46323	1
46327	1
46342	2
46350	1
46360	1
46373	2
46375	1
46385	1
46394	3
46409	1
46410	1
60004	1
60014	1
60016	1
60019	1
60026	1
60045	2
60046	4
60047	2
60051	1
60056	1
60076	1
60077	1
60090	1
60101	2
60103	1
60104	1
60142	1
60153	1
60156	1
60176	1
60181	2
60188	1
60189	1
60302	1
60403	1
60404	2
60406	15
60408	1

60409	8
60410	2
60411	5
60415	6
60416	1
60417	3
60419	7
60422	2
60423	10
60425	5
60426	6
60427	1
60428	4
60429	10
60430	4
60431	2
60432	10
60435	10
60436	3
60438	7
60439	2
60440	5
60441	6
60443	1
60444	1
60445	11
60446	2
60447	7
60448	1
60450	4
60451	4
60452	12
60453	28
60455	8
60456	3
60457	5
60458	5
60459	18
60462	13
60463	2
60464	1
60465	5
60466	5
60467	2
60468	1
60469	3
60471	1
60472	2
60473	9
60475	4
60477	13
60478	8

60480	1
60481	1
60482	3
60487	4
60491	1
60501	1
60505	2
60506	1
60514	1
60517	2
60521	1
60525	1
60526	1
60527	4
60538	1
60540	2
60542	1
60543	2
60544	1
60546	1
60548	1
60551	1
60560	1
60561	3
60564	3
60585	2
60586	5
60608	2
60609	9
60615	1
60617	13
60618	4
60619	13
60620	17
60621	1
60623	1
60625	1
60628	19
60629	30
60632	14
60633	2
60636	5
60637	2
60638	9
60640	1
60641	2
60643	14
60644	1
60647	4
60649	4
60651	1
60652	15

60653	3
60655	10
60803	9
60805	16
60827	9
60901	1
60915	1
60940	2
60950	3
60964	1
60970	1
61301	1
61341	2
61350	3
61356	1
61364	1
61820	1
62526	2
62703	1
64609	2
75013	1
(blank)	1
ADVOCATE CHRIST HOSPITAL O/P	**37**
46385	1
60126	1
60178	1
60411	1
60445	1
60451	1
60453	2
60455	1
60458	1
60459	1
60465	1
60471	1
60472	1
60473	1
60481	3
60487	1
60506	1
60510	1
60514	1
60538	1
60542	1
60605	1
60619	1
60628	1
60629	1
60643	1
60647	1
60652	1
60655	5

60827	1
GOODHOSPITAL SAM	**1**
60615	1
HINSDALE HOSPITAL	**5**
60404	1
60446	1
60527	3
HINSDALE HOSPITAL OP	**1**
60521	1
ILL MASONIC HOSPITAL IH	**4**
60077	1
60613	1
60639	1
60645	1
LURIE CHILDREN HOSPITAL IH	**17**
60046	1
60123	1
60426	1
60432	1
60433	1
60435	1
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60629	1
LURIE CHILDREN HOSPITAL OH	**5**
60525	2
60617	1
60628	1
60629	1
Jackson	**65**
Advocate Good Samaritan	**23**
60126	1
60139	1
60411	1
60423	1
60431	1
60432	1
60452	2
60453	1
60455	1
60462	2
60463	1
60465	1
60467	1

60477	1
60487	4
60491	1
60506	1
60638	1
Advocate South Suburban Hosptial	**23**
46341	1
60409	2
60417	1
60425	1
60443	1
60445	1
60451	1
60452	2
60462	1
60466	1
60467	1
60471	1
60473	1
60477	1
60478	1
60544	1
60652	1
60805	1
60827	1
60901	1
60941	1
Advocate Trinity Hospital	**2**
60455	1
60619	1
Little Company of Mary Hospital	**17**
60443	1
60453	2
60456	1
60459	1
60477	1
60620	1
60626	1
60628	1
60629	3
60638	1
60655	1
60803	1
60805	2
Kronen	**1323**
Advocate Christ Hospital	**1246**
37121	1
46241	1
46303	1
46304	5
46310	3
46312	1

46319	1
46321	1
46322	1
46324	1
46327	4
46342	1
46360	1
46368	4
46385	1
46408	1
46409	2
46410	8
48854	1
60048	3
60131	2
60191	1
60302	1
60403	3
60406	11
60408	3
60409	8
60411	22
60415	14
60417	8
60419	12
60422	1
60423	19
60425	9
60426	19
60428	3
60429	5
60430	1
60431	3
60432	1
60433	8
60435	3
60436	2
60438	13
60439	3
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60442	7
60443	19
60445	24
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60452	27
60453	71
60455	24
60456	9

60457	22
60458	12
60459	26
60462	20
60463	6
60464	7
60465	29
60466	13
60467	16
60468	5
60469	2
60471	4
60472	6
60473	9
60475	6
60476	1
60477	26
60478	7
60480	1
60482	17
60484	5
60487	17
60491	11
60501	4
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60544	1
60546	1
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60607	1
60608	6
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60611	1
60612	1
60613	2
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60618	9
60619	20
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60627	1
60628	33
60629	49
60632	25
60633	5
60636	5
60637	8
60638	35
60643	45

60649	15
60652	58
60653	2
60655	20
60659	1
60707	2
60803	46
60804	6
60805	17
60827	3
60913	2
60940	2
60950	2
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(blank)	1
Franciscan St. James Olympia Fields	**50**
46356	1
60411	9
60417	8
60425	1
60426	1
60429	1
60438	1
60443	2
60452	1
60462	1
60466	11
60471	3
60475	2
60478	4
60484	2
60617	1
60940	1
Silver Cross Hospital	**19**
60416	1
60421	2
60423	2
60431	3
60435	1
60441	1
60447	2
60451	3
60467	1
60468	1
60477	1
60491	1
St James Hospital	**4**
60411	1
60423	1
60466	2
Tinley Woods Surgery Center	**4**

60411	1
60477	1
60950	1
61350	1
Meisel	**310**
Advocate Christ Hospital	**303**
13088	1
46311	1
46312	3
46321	1
46342	2
46350	1
46383	1
46957	1
60015	1
60302	1
60401	2
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60408	1
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60423	11
60425	2
60428	3
60429	6
60430	2
60432	1
60438	2
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60443	2
60445	6
60447	1
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60451	4
60452	5
60453	19
60455	4
60456	4
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60461	3
60462	9
60463	1
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60465	6
60466	4
60467	8
60468	1
60473	4
60475	1

60476	1
60477	12
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60487	5
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60633	3
60636	5
60637	1
60638	3
60643	7
60649	1
60652	6
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60805	10
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60914	1
66611	2
604340844	1
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Little Company of Mary Hospital	**7**
60409	1
60411	1
60445	1
60621	1
60629	2
60652	1
Grand Total	**3903**

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